THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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WAGE COSTS ARE REDUCING PROFIT, RAISING PRICES

Good Business Now But the Future Uncertain

THE STOCK MARKET

Difference as to Whether Previous Inflation is Being Repeated or Whether Caution Will Extend Prosperity

Whether the break in prices in the stock markets represents the discounting of a definite change in trend in business some months hence or whether it is an adjustment in a forward movement to be latter continued a stage further, is matter for speculation, but in any event it reflects that uncertainty and uneasiness which has been growing with the recent rapid advance in commodity prices and labor inflation. On the one hand is the theory that inflation has already been carried too far and that the pendulum will now swing back again; on the other a growing feeling that the lessons of the previous inflation have not been forgotten, that there will be a levelling out before the danger stage is reached and that property will be maintained for a considerable period.

From the standpoint of industrial profits evidence is beginning to accumulate that with the rising cost of labor and materials the margin of profit in manufacturing lines is beginning to diminish. Labor represents by far the most important element in the cost of all articles. With the insistent demands for higher wages any talk of lower prices is, of course, futile. At the same time the necessarily higher prices are beginning to develop sales resistance. This has been particularly noted in sugar. Under the circumstances while the prospects would still seem to be for a continued large volume of business to the latter part of the year at least there will be a reduced margin of profit in many lines.

Effect of Wage Increases

In Canada, as has been previously pointed out, the boom conditions which have been general throughout the greater portion of the United States have only been experienced in a minor way in the industrial sections because of the larger importance of farming in this country and the depression in agriculture. At present there are more optimistic reports from the farming communities, particularly in Western Canada, and early crop prospects are said to be satisfactory, despite the late season. Industrially there is some indication of uncertainty with the continued advance in prices, largely necessitated by higher wages which has not been accompanied by any very marked improvement in the buying power of the farmer although, of course, wage earners in the manufacturing centres have become better buyers.

In the steel, paper, textile and lumbering industries activities continue on a satisfactory scale for the time being but wage advances like the recent 12½ per cent .to textile workers are having their effect on costs and not only reducing profits but rendering future business uncertain. This influence is also noted in the building industry where there has been a very active demand for lumber. Costs are now getting to a basis where business construction is becoming a doubtful proposition while the speculative builders are leaving residential construction largely to individual homebuilders.

The effect of rising wages on the farming industry is, too, a factor in crop costs which bears directly on the farmer's profits. Conditions in a farming district like that surrounding London are interesting. Thousands of skilled and unskilled workers are said to have gone to Detroit in the last six months and the exodus continues. There are stories of $15 to $25 a day which are proving a lure and the fact that the boom may be only temporary and unskilled labor will soon find a proper level is temporarily forgotten. "Farmers are finding it impossible to obtain help and many contractors, especially those who have really big jobs on hand, are up against problems that are as acute as those of war times," says a report to THE FINANCIAL POST. "The explanation of the demand for Canadian workers from across the line is said to be the exclusion of thousands of Europeans from the States. Just what is going to happen to Canadian factories, farms and other things, remains to be seen but indications are that production costs cannot go down while manufacturers and others are trying to match offers which their employees are receiving daily."

Canada and the States

Pointing out that Canada is not experiencing the prosperity prevalent in the United States the bulletin of the Royal Bank of Canada continues:

The earlier months of the year brought forecasts of coming improvement, but this improvement is rather more delayed than was anticipated. Retail buying has been disappointing for the most part in all sections of the country, and

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More U.S. Manufacturers Pay to Soviet Agents

Another group of U. S. manufacturers have just been taken in by stories of big business to be secured in Russia. Thirty-seven of them, including some of the largest manufacturers in the hardware and plumbing trade, admit having put up a thousand dollars each with an agent of the Soviet Government. One firm, the Miller's Falls Co., well known in Canada, kicked and got back its thousand, but thirty-six other manufacturers are out $36,000. Some of the money was used for Soviet propaganda and no doubt much went into pockets of agitators.

These U. S. manufacturers were caught on the story that has been attempted so many times in Canada but as frequently exposed by The FINANCIAL POST—for the protection of our readers. On one occasion one of these fakers was endorsed and entertained by Cabinet Ministers and Ottawa and Toronto financiers, and was later arrested by the British authorities.

This is another of the several special services The POST is giving its readers.

HEAVY DAMAGE TO INDUSTRY IN EASTERN FLOODS

Estimated at $15,000,000—Public Ownership Plant Defective

From Our Own Correspondent.

ST. JOHN.—The spring floods in New Brunswick created havoc with the industries of the provinces, particularly lumbering. Many mills were destroyed and others severely wrecked. Hundreds of thousands of feet of logs were lost. The Canadian Pacific Railway and the Canadian National Railway both suffered heavily. Particularly affected were villages and towns along the St. John river. Fredericton was partly inundated, and several factories flooded. In Woodstock, a number of factories along the Meduxnekeak river were damaged greatly.

It is estimated that damage amounting to approximately $15,000,000 was caused in two weeks. The cotton mill of the Canadian Cottons Limited, at Milltown, N. B., was wrecked owing to the breaking of a dam. About three months will be occupied in repairing the damage inflicted on the big mill. Several sawmills on the banks of the St. Croix river were uprooted suddenly from their foundations and sent adrift. On the Musquash river, the provincial hydro station was badly damaged by the breaking of a dam erected by the provincial government. It is now asserted that the dams and hydro station are defective in construction.

It is known that large quantities of pulpwood have drifted to the Bay of Fundy, and a great loss will be felt by each of the pulp and paper companies. Hundreds of houses and barns and outbuildings were torn asunder and vanished toward the sea. Fifty bridges were wrecked, some of them of recent construction. A number of recently constructed dams also crashed under the strain.

One Loan Company Had Been Assessed for Tax

From Our Own Correspondent.

MONTREAL.—It is learned that only one of the loan companies had been assessed by the income tax officials for its debenture interest prior to the recent ruling of the department of Taxation at Ottawa. This company refused to pay its income tax on this basis preferring to take a chance on the ruling eventually going against it and subjecting it to a penalty of 4 per cent. per annum on the amount of the tax. When the ruling was made a few days ago in favor of the companies the action in refusing to pay the tax was justified.

The question of taxation of industrial bond interest has not been settled satisfactorily. Some firms have paid the tax under protest while others who have been assessed for it are waiting until final disposition is made of the matter.

Alberta Doukhobors to Build Flour Mill

P. J. Veregin, superintendent of milling for the Christian Community of Universal Brotherhood of Canada, known as the Doukhobors, has been in Winnipeg completing arrangements for the erection of a model 1,000-barrel flour mill, together with a 65,000-bushel elevator for their community at Anbrek, Alberta. This mill and elevator, he states, will be equipped with the most up-to-date machinery and will manufacture flour for local consumption and for a large community in British Columbia.

Pure Bred Stock in Demand on Prairies

PRINCE ALBERT.—At a recent sale pure-bred stock brought high prices. This is taken as an indication of the increasing appreciation of the importance of the dairy industry and of diversified farming operations in general as opposed to "wheat gambling."

END OF ROBERT'S REGIME SEEN IN QUEBEC SITUATION

No Doubt of Financing if Shawinigan Negotiations End Successfully

From Our Own Correspondent.

MONTREAL.—It is a long time since a Canadian stock has had so many watchers at the ticker as "QY" had this week. It was the centre of seething excitement. After working up through a period of some weeks of indecision, tugging for control between various interests, Quebec Railway reached the climax of interest when it was learned that the powerful interests behind the very successful Shawinigan Water and Power Company were looking into the company with a view to acquiring control. Followed a succession of rumors, that were easily broadcasted because of the closely guarded nature of negotiations. But from the mass of uncertainties and irrelevancies, the following salient points can be extracted as representing a fairly accurate picture of the present position of Quebec Railway:

Shawinigan is discussing with Quebec Railway officials and directors the acquisition of control of the company. If the plans mature Shawinigan will provide the funds to meet the $2,500,000 of bonds that mature a few days hence—on June first. This may be done by the purchase of an equivalent amount of the 5 per cent. consolidated bonds by the new interests and the creation of an additional loan to the company to cover the difference between market value and par. Or it may be done by short-term financing looking to permanent funding of the bonds later when Shawinigan finally sits in the saddle and can show a record of successful operation. In any event the Shawinigan control would put aside any doubt as to the solution of the capital difficulties of the company. But at the time of writing the "sale" of the company has not been completed.

Probably President E. A. Robert will have to go, although it is stated that this question is a real point of difference between the parties. Mr. Robert has not the confidence of all the shareholders and it is understood that certain of the directors are questioning his policies. It is hardly likely that the Shawinigan people and Mr. Robert could pull together. Robert's methods are such as to keep shareholders in the dark. He keeps his own counsel and says nothing; not even what shareholders are entitled to hear. Witness his Montreal tramway groups. Annual statement of some of the companies appear at intervals of about ten years and annual meetings are almost unknown.

If the Shawinigan deal falls through it is quite likely that the directors will fall back on the former plan of financing the refunding operations by short term notes.

How the change of control would be effected is of course a matter that rests with the negotiations, Shawinigan controls the Public Service Corporation of Quebec, a competitor in some fields with the Quebec Railway company and an enlargement of the stock of the former company together with an exchange of shares might be arranged.

Present Trials of Western Canada Previously Weathered in Eighties

From Our Own Correspondent.

OTTAWA.—C. M. Bowman, chairman of the executive and investment committee of the mutual Life Company of Canada, which has $30,000,000 on loan in Western Canada, told the McMaster committee that he and his corporation were optimistic over the future of that portion of the Dominion.

He said that the gross total of the Mutual mortgage loans in the three prairie provinces was $22,903,806, divided as follows: Manitoba, $11,369,554; Saskatchewan, $9,398,433; Alberta, $2,135,818. In addition to farm mortgage investments the Mutual holds provincial, city, school and rural municipality bonds to the value of $3,608,192 in Manitoba; $3,369,999 in Saskatchewan and $1,153,145 in Alberta. In other words over 40 per cent. of its invested assets are in these provinces.

"The conclusions we have arrived at are the result of all the reports and views of our loan organizations, and of our personal views and observations as we have travelled among the farmers of the western provinces. And I am here to-day, Mr. Chairman, to report that as a result of all this the Mutual Life Insurance Company is hopefully optimistic to-day regarding the western farm situation, and we evidence this hopeful optimism by the fact that at every board meeting western farm loans are passed upon and accepted by our directors.

"I am dealing with the West as a whole in making these statements. I do not wish to have my judgment apply to those districts in which we are loaning at the present time. In that connection let me carry you back to 1886, 1887 and 1888 and along there. Anyone who knows anything about the State of Kansas knows that at that time the State of Kansas went through the difficulty in some parts that we are going through in the West. In 1886 everything was rosy in the spring. The ultimate result was that we had to send money to a brother to bring him back to the State of Michigan. Thousands of farmers had to quit in the State of Kansas. In 1912 I travelled through there and those farms were selling freely at $200 an acre, and in 1912 anl along there the farmers of Kansas had some money deposited in the savings banks. They had gone through the experiences we had in the West. The majority set their jaws and figured out the problem and got down to a proper basis and they entered after that into the greatest period of real sound wealth production that they ever had. I want to make this prediction as far as our Canadian West is concerned, having gone through these trials and tribulations, that the prairie provinces are entering on what is going to be the greatest period of sound wealth production that they have ever experienced.

Canada's Banking System Stood The Severe Tests of Experience

Advice of a Professional Economist Would Help the Inquiry at Ottawa—Lack of Knowledge of Fundamentals of Sound Banking Indicated by the Discussion of the Federal Reserve System

By JAMES MAVOR, Ph., D.

It has often been said that the two subjects in which mankind is interested universally, by which the deepest emotions are stirred, are money and religion. In both regions, in spite of thousands of years of controversy, there is no general agreement on the meaning of terms. Definitions of money and conceptions of its nature and functions are as diverse now as they were before the beginning of the Christian Era. So also religious dogma is at least as varied now as it was then. It is therefore not wonderful that the members of the Committee on Banking and Commerce at Ottawa should pose to expert witnesses the most naive questions, and that difficulty should be found in arriving at any form of expression from which advance could be made towards common understanding.

This difficulty was gravely accentuated by the fact that while the subject before the committee was an economic subject, although partly also a legal one, there was not upon the committee a single professional economist.

The absence of the controlling hand of an experienced professional economist, led on the one hand to waste of time in discussing irrelevant matters, and on the other to failure on the part of the committee to make the best use of the expert witnesses who were called before it. The evidence of Major Douglas, an engineer from London, was wholly irrelevant. The reference to the committee was the Bank Act and amendments thereto—and not either the Canadian currency system nor the practice of international finance. For the same reason Professor Irving Fisher's evidence had no bearing upon the subject before the committee. If the Dominion is to experiment with a new currency system, the question must be discussed before a committee appointed for the purpose, not before a committee appointed to deal with other matters.

Amendments Not Drastic

The amendments upon the Bank Act, proposed by Mr. Fielding, are not of a drastic character. From this may be inferred that the Canadian Treasury Department having considered the working of the Bank Act during the past ten years, has arrived at the conclusion that the Act has on the whole worked well and that its main principles have stood the test of time.

The only important proposal other than the amendments proposed by Mr. Fielding, was the proposal by Mr. Ladner, to establish what he calls a Federal Reserve Bank of Canada. In its general features, Mr. Ladner's scheme seems intended to

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Anti-Combines Bill Another Business-Disturbing Measure

In the proceedings in the House of Commons and in the supporting vote in connection with the second reading of the federal anti-combines legislation were to be found indications of a political desire to win public approval. Therein lies the great danger of the new measure at a time when business is fighting a great many uncertainties and carrying a heavy burden of taxation. If the new bill is used to prevent unfair combinations which curtail production and enhance prices at the expense of the public it will perform a useful purpose. But if it merely provides politicians with a method of getting mob applause by persecuting trade organizations and big business institutions which are solving economic problems in the interest of the consumer it may do incalculable harm.

The bill seems to have been drafted from the point of view that trade combinations are necessarily and invariably bad and that machinery should be set up to put a stop to them. There is no recognition of the fact that there are good and legitimate combinations as well as illegitimate combinations. There is no recognition that the modern tendency toward trade combinations is a natural and absolutely necessary and inevitable development. In most countries trade combinations, particularly for purposes of export, are actually encouraged by governments. They make for greater efficiency, elimination of waste, elimination of reckless undercutting in trade wars, more stable and often lower prices to the consumer and better service to the consumer.

The bill provides a sword of Damocles over the head of the Canadian manufacturer. The elaborate machinery of investigation which is provided by the act may be set in motion at the instance of six residents who incidentally might quite easily be disgruntled employees or trade enemies. The only check on this is the discretion of the registrar, who may quite easily be a person of very limited business knowledge. If the registrar considered that a prima facie case has been made out he may direct a full-fledged enquiry into the entire business of the concern in question and if, as the result of such enquiry, he considered that a combine existed the minister then may move any provincial attorney-general to institute criminal proceedings, failing which criminal proceedings may be instituted by the solicitor-general himself. The expense, the loss of time, the disturbance of business and the arousing of possibly quite unfounded public suspicion which would result from such a double-barrelled enquiry even in the event of ultimate exoneration would constitute a very serious loss to the company or companies concerned.

Apart from these considerations there is the other question as to whether the act is constitutional. The same point seems to apply as in the case of the Board of Commerce which was declared ultra vires on the ground that it interfered with rights of trade granted to the provinces under the B. N. A. Act. After all the machinery it outlines is set in operation and business greatly disturbed it may be that the courts will agree with the ruling of Mr. Justice Meredith and declare that the federal government has no jurisdiction in this matter. In any event, it is being asked, what does the new act provide in the way of prosecution that is not now provided under the criminal code?

LABOR NEEDED TO WORK FARMS IN WEST

Continued Exodus to United States is Having Its Effect at Ottawa

From Our Own Correspondent.

OTTAWA.—The need of immigration has become so pronounced that very few members of Parliament can now be found who are opposed to it. If anything more were required to show its necessity it is the growing scarcity of farm labor in the West, which threatens to eat more deeply than it did last year into the returns from the crop.

Immigration has taken on a new significance through the reported intention of Sir Henry Thornton to launch an aggressive policy relating thereto in connection with the Canadian National Railways. There are indications that he is moving in that direction, but it is possible that if the National system became very aggressive in this respect it might be considered as duplicating the work of the immigration department. Sir Henry Thornton has been long enough in the country to realize that the Canadian mileage of the National system will make a better showing in proportion as the West is settled, and thus provides more traffic.

In the meantime it will be noted that the reduction in the value of settlers' effects brought into the country, and the increase in the value of those exported, continues. During the 12 months ending March the settlers effects imported were valued at $6,205,085, as compared with $7,625,534 for the preceding period and $10,749,809 for the year 1920-21. On the other hand the value of settlers' effects exported during the last fiscal year was $1,563,000 more than during the preceding period.

The reduction in immigration from the United States will have the effect of keeping down very materially the amount of money and effects brought in as American settlers are usually much better off than those from overseas.

NEWFOUNDLAND IS NOW ASSURED OF $25,000,000 MILL

Big British Interests Behind Power and Paper Project on the Island

BONDS GUARANTEED

Newfoundland is to Guarantee $9,000,000 of Bonds and British Government £2,000,000

From Our Own Correspondent.

MONTREAL.—One of the matters at issue in the Newfoundland election was the government guarantee of what is known as the Humber arm proposition. As a result of the election the plans as at present outlined are almost certain to develop and the scheme will be pushed ahead.

Under the plans that have been reached a pulp and paper mill of 400 tons daily capacity will be erected. This is much larger than most of the Canadian mills, only Abitibi having an individual unit of more than 400 tons a day capacity although Spanish River with three mills also top this figure. The capacity would be double that of the Northcliffe mills at Grand Falls. The backers of the scheme are the W. G. Armstrong-Whitworth Company of Newcastle-on-Tyne, England, whose Canadian interests were recently taken over by the Charles Walmsley Company, Limited. Most of the machinery will be brought out from England although Canadian contractors are looking to have a share in the work of building the mill and the accompanying dam that is necessary.

Develop Large Power Output

In addition to being a gigantic pulp and paper proposition the development will be the most ambitious hydro-electric plant in Newfoundland. The mill, it is planned, will be operated by power from the Humber River which will necessitate a canal ten miles long. The canal would vary in width from about 100 feet to 200 feet and would cost about $5,000,000. There would be a dam 75 feet high and 1,200 feet wide. The ultimate power

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B.C. Lumber Being Shipped to Montreal

From Our Own Correspondent.

VICTORIA.—There has been a marked improvement recently in shipments of lumber via the Panama canal to the New England states. A demand is developing, too, in Montreal.

West's Crop Surplus a Hundred Millions

A statement issued by Edward Oliver, who has charge of the debt adjustment bureau in the province of Saskatchewan, is to the effect that after paying for the work needed for raising the crop and allowing for the living expenses of the producer and his family one hundred million dollars was available for liquidating outstanding debts, including, presumably, interest and principal.

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EDITORIAL

Revising the Bank Act—Valuable Data Going to Waste—H. R. H. Sets an Example in National Economy—Turn Has Come in Russia—Prospectors the Need of the North.

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The Transfer Books will be closed from the 17th to the 31st day of May, both days inclusive.

By order of the Board,
J. W. HAMILTON, General Manager.
Winnipeg, April 19, 1923.

THE HOME BANK OF CANADA
Foreign Department

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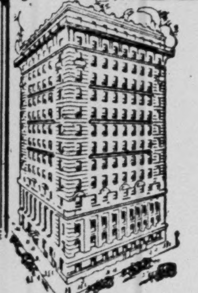

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WATER ROUTE TO B.C. WOULD HELP EASTERN TRADE

Want Change Made in Customs to Escape Duty Levy

BLAME RAILWAYS

Say That Opposition to Customs Men at New York Has Delayed Action

From Our Own Correspondent.

VICTORIA. — The reported acknowledgment by Premier Mackenzie King that the Canadian Government has no right to impose customs duties on goods manufactured in Canada, is regarded as exceptionally important by Pacific coast business interests.

The necessity to pay duty on Canadian-made goods shipped from the east to British Columbia, via New York and the Panama Canal, coupled with the lack of direct inter-coastal steamship service, and the high railway rates, has resulted in this province sending millions of dollars annually to foreign countries for merchandise that would otherwise be purchased from Eastern Canadian manufacturers.

If the Canadian Government, as indicated by Premier King, makes arrangements for the shipment of Eastern Canadian goods via Panama Canal to British Columbia duty-free, one of the most serious transportation problems confronting this coast will be solved. In the meantime Senator G. H. Barnard, K.C., of Victoria, is preparing to lead the fight in Ottawa for appointment of a Canadian customs officer at New York, through which most of the eastern freight shipped to this coast by the sea route is consigned.

The campaign for appointment of a Canadian customs officer at the port of New York, so that Canadian goods might be shipped to British Columbia from Eastern Canada in bond, has been urged for nearly fifteen years without definite result, and the fight is still on, even though the majority of importers here would prefer to see the establishment of a regular steamship service between Montreal, Halifax or St. John and British Columbia ports, so that the traffic would be in Canadian hands throughout.

While there have been reports to the effect that such a steamship service would be provided, none of these projects has materialized so far. Advices received recently by British Columbia wholesale houses, however, indicate that something definite in that direction is likely to come about in the near future. Private interests are said to be ready to place their vessels on regular schedule in the Canadian inter-coastal trade, and the Canadian Government Merchant Marine is also reported to be contemplating similar action.

Reason For Opposition

The possible reduction in Canadian trans-continental rail traffic as a result of diversion of trade through the Panama Canal is recognized as the major reason for what opposition there is in influential circles to the plea of coast business interests for either appointment of a customs officer at New York or the establishment of an inter-coastal steamship service. "We should expect the cooperation of manufacturers throughout the Dominion in our present fight," a prominent wholesaler told THE FINANCIAL POST. "We realize, however, that they are reluctant to go beyond the point where they are likely to antagonize the railroad interests. The railroads are in many cases their best customers and it would be bad business to arouse their hostility, no matter how much they may agree with our case at heart. They admit it.

"Nature and the hand of man," he said, "have given the Maritime provinces, Quebec and Ontario the opportunity of cheaper water transportation to British Columbia, than to the provinces of Saskatchewan and Alberta, but in spite of all efforts that have been made in this direction, the Dominion Government has steadfastly maintained an unsympathetic attitude.

"You will realize how serious the question is from the viewpoint of the whole Dominion when I tell you that ship loads of iron and steel material are being brought into British Columbia every year from New York, Liverpool, Antwerp and Hamburg at rates of $6 to 6.50 per ton. Last year approximately one and one-half million dollars worth of foreign iron and steel was imported into this province, and our money sent to foreign countries in payment, although practically all of it could have been retained in Canada had our natural means of water transportation been utilized.

"Let us take, as one instance, black and galvanized sheets. At the very least half a million dollars worth of this material was imported from the United States, Great Britain, Belgium and Germany, in 1922. This material came by water at a rate of approximately $6 a ton. There are two mills in Eastern Canada producing the same goods, and the lowest freight rate they can secure to British Columbia is $20 a ton, or nearly three and a half times the cost of bringing in the foreign material. Not more than 5 per cent. of British Columbia's consumption was supplied from Eastern Canada, whereas almost the entire quantity could have been produced from that source if proper shipping facilities had been provided.

Hardware Also

"General builders' hardware can be laid down from New York to Vancouver and Victoria, at $10 a ton, and the same class of goods from Eastern Canadian manufacturers is costing from $50 to $75 a ton. Picks and mattocks are being brought in from Great Britain for $7 a ton, and the cost from Eastern Canada in carload lots is about $34 a ton. Carloads of pumps have been brought in from New York at $16 a ton, against $52 a ton from Eastern Canada, and so on down the line almost thousands of instances of a similar nature can be quoted.

"I do not believe that British Columbia can ever attain to its rightful commercial position until it is able to avail itself of the natural means of water transportation which the Panama affords, and the utilization of which would result in a reduction in the cost of material to every industry and to every individual buyer in the province. It would effect a direct saving to the pockets of the people to an even greater extent than the reduction of the mountain scale, which Premier Oliver is fighting for."

GETTING BUSINESS IN NEWFOUNDLAND

Direct Representation of Manufacturers Necessary to Bring Orders to Canada

The determined efforts being made by United States and British exporters to extend their business in Newfoundland necessitates the paying of more attention to this important market by Canadian exporters, according to the Department of Trade and Commerce, Ottawa. The principal banking business is conducted by Canadian banks, and the managers of these institutions are unanimous in expressing the belief that direct representation is necessary if Canada is to hold her own in this market, in which geography has given her the advantage. The appointment of a local agent does not work out satisfactorily in the majority of cases, as this agent generally handles United States and British lines as well.

The travelling salesman in St. John's who expects to exhibit his samples hurriedly from store to store and get away on the next steamer is doomed to disappointment. Time is necessary if results are to be obtained. If, however, the traveller makes a good impression, and has a suitable line to show at a competitive price, he will be successful in obtaining an initial order, which may lead to considerable further business in the event of deliveries being prompt and goods supplied being up to sample.

Commercial travellers showing their wares in St. John's are required to pay a maximum tax of $50 during the six months, January to July, or $25 during the six months' period July to January; but this levy, while appearing large at first sight, has little effect as it is the consumer who pays in the final analysis. It is the practice of buyers for Newfoundland business houses to visit Canada, the United Kingdom and the United States annually. Great care should be taken by Canadian firms in making sure that postages on their mail to Newfoundland—letter rate 4 cents for the first ounce and 3 cents for each additional ounce—are adequate in order that their correspondents may not be subjected to the annoyance of having surcharges to pay.

WAGE ADVANCES PUT PRICES OUT OF LINE

Present Danger is in Direction of Labor and Not Financial Inflation

The banking situation in the United States is sound; whether as much can be said for the industrial situation is open to question, according to Hayden, Stone & Co. It is but natural that — as demand increases —with practically a fixed supply — the price of labor, or of any other commodity, should advance. There is a point, however, beyond which it does not pay the buyer of labor—as of any other commodity — to go. Labor started this advance from a high level, and will not have to go far before becoming prohibitive in price. At present prices for goods, there is a demand for full production, but the recent advances in the cost of labor and materials have not yet been reflected in the price of finished products. If there is any further advance, one of two things must happen; either manufacturers must absorb a large proportion of the increased wage, thereby reducing profit, or else the prices of finished goods must be advanced. Just how far prices can be advanced before curtailing consumption is problematical:

The danger in the present situation is not of financial inflation, but of labor inflation. In short, the advice of various prominent men recently uttered may well be heeded, viz.: "To go slow and not to attempt to crowd production too hard, as by so doing price of labor and materials can only be forced to higher levels, without any real gain in production."

The discrepancy between city and farm wage, already deplorably large, is tending to become greater. It is no wonder that there was a net decrease in the farm population last year in favor of the city by some 400,000. In the long run, such a situation must adjust itself, but the adjustment is apt to be long and unpleasant. Higher prices for farm products can come about only by a decreased supply or increased demand. So long as this country produces a surplus of grains, prices here are bound to be governed by prices abroad. The farming community is coming to learn that there is no escaping this fact by means of tariff tinkering or otherwise. Prices of grains can be advanced only by curtailing production to the needs of this country, or by a general recovery abroad, which shall increase the demand for our surplus.

BUILDING WILL BE CHECKED BY RISING COSTS

Labor and Material Are Big Factors in Program

The money value of building and construction in 1922 was the largest recorded in the building industry of the country, says Commerce Monthly, magazine of the National Bank of Commerce in New York. "The value of new contracts awarded during January, 1923, was larger than during January of either of the two preceding years," continues the bank's magazine, and predictions are being freely made that in 1923 the volume of building, on a valuation basis, will exceed even the high record of 1922.

Whether or not these expectations will be realized, states the article, depends on building costs. They are already high and the prices of building materials and wages are rising. Under these conditions there is always a possibility that as a result of high costs, those who are using their own funds will prefer to delay building and that construction dependent upon borrowed money will be hampered by the unwillingness of lenders to accept current levels as a proper basis for long-term loans with the consequent restriction of such loans to so low a percentage of construction costs as will make it difficult for owners to finance their undertakings.

Superficially the conclusion might be drawn that a famine of building materials and supplies is imminent, but such a conclusion omits the price factor. Buildings represent a long-time investment and over and over again it has been demonstrated that no industry is more susceptible than is construction to the effects of price advances. Since last March the upward climb of building material prices has been rapid. The U. S. Bureau of Labor Statistics building material index has increased 24 per cent.

The building labor situation is similar to that of building materials. There is a shortage of labor, both skilled and unskilled. This is the combined result of the competition of industry and the restriction of immigration. The resultant shortage of skilled labor, combined with effective organization, has made for monopoly wages. While wage scales in the building trades have been cut in most cities, wages paid have been determined by the law of supply and demand and they are now probably as high as they were at the peak of prices in 1920.

With stable prices and reasonable wages, a true shortage of building materials and of building labor would be almost certain, but rising prices and wages will operate to prevent the development of this condition. As building costs mount, they will reach a point at which home builders of small means cannot meet them. Already there are reports of cancellations of loans for this purpose because the amounts arranged for have proved insufficient to meet rising costs. Builders for industrial purposes and municipalities as well will hesitate and investors will be inclined to consider carefully the wisdom of placing funds in investments which hold increasingly doubtful promise of profit and of which the ultimate security may be in question.

Textile Products Have Not Risen With Wages

From Our Own Correspondent.

MONTREAL. — Increase of about 12½ per cent. in the wages paid employees of Dominion Textile Company has not been followed by a general increase in the prices of the company's products. The increased labor cost will be largely absorbed by decreased prices in the cotton that forms the raw material of the company's manufactured lines. Prices have been slightly adjusted but the general trend is not markedly upward.

Annual statement of Dominion Textile, which it is understood will be very favorable, may not be out for some time. There are only a few shareholders of the old company left, most of them having transferred their stock into the new company. The report will be the last of the old company, and the 1924 report will cover the new organization in its first year. The change becomes effective April 1.

Europeans Eating Less Wheat Than Before War

The price of Canadian wheat depends very largely upon the export demand and that in turn is based on the consumption of importing countries. This consumption is now less per capita in European countries than before the war, as indicated by the following comparative figures:

Country	Per Capita 1909-13	1914-18
Austria-Hungary	4.41	....
Belgium	8.53	....
France	9.12	7.81
Germany	3.35	....
India (British)	1.23	1.21
Italy	6.82	6.65
Japan	.57	.53
Netherlands	4.47	3.54
United Kingdom	6.14	6.08
United States	5.68	5.93

In a statement in the British House of Commons, Stanley Baldwin, Chancellor of the Exchequer, said that the total number of persons in Great Britain liable to a super-tax in the last financial year was about 80,000, with a total income of £470,000,000 (about $2,180,000,000).

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DEVELOP MARKET FOR OUR NATURAL RESOURCE GOODS

To Date Our Progress Has Been Limited to Two Classes of Commodities

DEVELOP EXPORTS

Present Standing as Trading Country Suggests Attention to Wide List of Commodities

One of the most effective methods of getting a clear grasp of Canada's broad development problems is to examine the Dominion's position in regard to foreign trade, says the Natural Resources Intelligence Service of the Department of the Interior. The matter of getting our agricultural lands, our forests, minerals, fisheries and other physical assets into further use is essentially a question of increasing the volume of our business as a nation. We cannot work out any very enlightened programme for wider development of our natural resources unless we study the problem at both ends—not simply in the light of what idle resources we possess, but also with some business-like attempt to discern those lines of industry and trade which hold out the best prospects for sound expansion. Our foreign trade figures furnish something in the nature of a national balance sheet which throws a good deal of light upon the commercial problems of converting our natural resources into active assets.

In seeking to extend the development of Canada's resources to-day we face a commercial problem decidedly different from that of the opening years of this country, when we entered an era of amazing growth. During the last quarter of a century we brought huge resources into active use mainly because we were able to push our trade forward rapidly in one or two directions, notably vegetables and wood products. We began that period of growth at a time when the world's wheat consumption had practically closed the gap between production and demand, and when there was serious alarm as to future wheat supplies. World conditions were ripe for a great extension of wheat areas. A few years later the depletion of Eastern United States forests presented a somewhat similar golden opportunity for realizing upon Canada's vast pulpwood areas.

Advance a Narrow One

These two great commercial openings were chiefly responsible for the rapid advance in the development of the Dominion's resources in the last two decades. More than three-quarters of the increase in the value of Canada's export trade in 1922 over that of 1902 is due to two classes of commodities—vegetable products and wood and paper. Grain and pulpwood products alone are now contributing more than half of the total value of the Dominion's sales abroad. Thus a very large share of the growth of Canadian industry and trade in the past twenty years was achieved by the use of a comparatively narrow range of products as the weapons of commercial advance. To employ a military comparison, our commercial offensive penetrated deeply and rapidly on a narrow front.

To-day our commercial progress—the greater use of our natural resources—requires an advance on a wider frontage if we are to bring new resources into use on anything like the scale which marked Canada's growth during the past quarter of a century. Great as are the Dominion's resources in arable lands and pulpwood forests there are limits upon the extent to which we can continue to use cereals and pulp and paper as the spearheads of commercial growth. As far as physical capacity is concerned we could no doubt double our wheat crop, but we have already reached a stage which sharply challenges the wisdom of building further with "export wheat" as the foundation. In the case of the pulp and paper industry there appears to be little or no commercial check upon the progress of development, but according to the Federal Department of the Interior, we are approaching a condition in certain provinces which raises the question as to how large an annual cut our forests can sustain.

In any event, plans for the advancing of Canadian industry and commerce in the coming years should rest upon a full understanding of the trade opportunities in every direction. The process of swelling our exports of vegetable products and of wood products has yielded ample results in the past but cannot, and need not, be overworked to the exclusion of other means of national development. Other resources and industries, which have been temporarily eclipsed by the growth of cereal and pulp production, offer less spectacular but none the less valuable avenues of progress.

Merit Attention

Animal products are one class of commodity which appear to merit much closer attention from a development standpoint. Twenty years ago they were our greatest single item of export. To-day they are in third place—far behind vegetable and wood products. Moreover, the exports of animal products have increased much less rapidly than the imports.

There was a time when Canada exported more cheese than wheat. In 1902 Canada exported 200,000,000 lbs. of cheese, while in 1922 our cheese exports amounted to but 121,000,000 lbs. In the same twenty years our export of vegetable production, composed largely of cereals, has increased 904 per cent.

One point which suggests itself as having a practical bearing upon the wisdom of doing everything we can to strengthen our trade in animal products is that on certain individual items, such a butter, cheese, eggs, bacon, hams and lard. Our great competition in the British markets comes from Denmark, New Zealand, United States, Australia, that is, chiefly from countries with a high standard of living. We should find it preferable to bring ourselves more widely into competition with such countries rather than to engage too largely in the task of under-selling alicomers in the cereal markets, some of whom have a very low standard of living.

The situation in regard to animal products is not an isolated case. A study of the trend of Canadian development—as indicated by the course of our foreign commerce—reveals other directions in which progress was relatively slow during the years when western settlement (with its enormous increase in the production of wheat) and the rise of the pulp and paper industry sufficed to support a gratifying rate of commercial growth. Such a study clearly points to both the wisdom and the likelihood of drawing a greater share of our development in the immediate future from increased output not only of our animal products but from our mineral and other resources, which can sustain much more extensive industries but which were for various reasons overshadowed as the source of national growth during the past two decades.

In brief, the Dominion's present standing as a trading country suggests that future development can and should be distributed over a greater range of natural resources than we have been accustomed to consider as the primary natural assets around which to build Canadian development policies.

CATTLEMEN OF B. C. WANT EXPORT FIELD

Looking to the United States in View of High Freights to Britain

VICTORIA.—While the lifting of the British embargo has improved conditions in the Western Canadian cattle business to some extent, in British Columbia the freight rates are still sufficiently high to discourage shipment of live cattle to the United Kingdom market.

There are problems before the British Columbia stockmen that aren't concerned solely with markets, and one of them is transportation.

British Columbia's cattlemen are counting on the removal of the Fordney-McCumber tariff, and they have taken heart from the news that American interests are fighting for a removal of the present discrimination against Canadian cattle.

In this province the cattle industry is no new thing, for it was established even before the prairie provinces had their herds when the principal market was the goldfields of the Cariboo country. But the fact that there are thousands of miles of land that will for years be suitable only for grazing purposes will give British Columbia a growing popularity as a range country. During the next few years it is expected that the number of ranches will be greatly increased. Even now there is a definite movement of cattle herds from the prairies and the South into the pasture lands of Central British Columbia—the Nicola Valley, the Chilcotin Plateau and the Peace River country.

U.F.A. STILL WANT THE WHEAT BOARD

But Action of Manitoba Has Unsettled the Question in Western Canada

From Our Own Correspondent.

EDMONTON.—The fate of the Wheat Board seems to be even more doubtful than it has been. With the elimination of Manitoba from the three-cornered struggle, it is now left to Alberta and Saskatchewan to carry it on, if it is to be carried at all, and while two provinces may function under the terms of the Dominion act, it is coming to be seen that considerable difficulty will inevitably be encountered in establishing and operating a board without Manitoba as a party to it.

There will, moreover, be the same difficulty that was encountered last year in securing a suitable man to head the board, even if the other details can be arranged. In any event, the Wheat Board will be only a temporary expedient, and it is generally recognized that the chances of getting a man, of the type desired, for one year's service are extremely poor. Some names are being considered, but there is about as much indefiniteness on the question as at any time before.

In the meantime the desire for a Wheat Board on the part of the Alberta farmers—insofar, at any rate, as they are represented by the U. F. A. organization—still continues, and when the Greenfield administration discussed the matter in caucus with the agrarian members during the Legislature it was given to understand that the country wanted the board set up and would be satisfied with nothing else. That is why an effort is being made, in the face of all the other circumstances that combine to put cold water on the scheme, to bring the matter to a head.

Consolidated Mining and Smelting ore receipts at Trail Smelter from April 15th to April 21st, 1923, inclusive, and from January 1st, 1923, to date, in tons, are respectively, 7,428 and 142,044 tons.

The Legislature of the province has passed a bill to regulate the sale of securities, the object being to get such supervision as will prevent a repetition of the L. R. Steel Corporation campaign for investments, which has turned out so disastrously.

INCOME TAX PAID BY ONLY ONE OUT OF THIRTY PEOPLE

Is There Much Evasion Under Collection System Used in Canada?

GETTING STRONGER

Increase of 100,000 in Number of Income Tax Payers and Five Hundred Billion In Incomes Assessed

From Our Own Correspondent.

MONTREAL.—The tightening up in the income tax collections has been responsible for most of the increase to date in income tax collections. And yet analysis of the income tax returns indicates that there is much yet to be done before the income tax can be considered as being equitably administered. The increase in tax collections that has so far been effected by closer checking up of incomes is but an emphasis of possibilities in a fairly administered income tax.

The gross amount of income tax assessed for the purposes of the income tax for the year ending March 31, 1922, was $1,462,259,169. For the previous year the figure was $912,410,429. Obviously the income of those assessed did not increase by more than 50 per cent. during the year. The larger amount was due to checking up on a larger number of people. The figures indicate this. In 1920-1921 190,561 people paid income tax. In 1921-1922 the number of income tax payers was 290,584, an increase of almost exactly 100,000. It is quite probable that the number of people submitting income tax returns this year will be even greater. The figures given, it may be stated, do not include corporations.

Average Payment is 7 per cent.

The average rate per cent. paid on taxable incomes in Canada is just about 7 per cent. so far as one can estimate from the very inadequate data that are available. Just under 300,000 tax payers would represent exemptions of at least $500,000,000. Of the total of $1,462,000,000 assessed for income tax about $400,000,000 must have been on account of corporations, estimating from the tax these paid. This leaves about $560,000,000 as the amount of income assessed against individuals and the tax amounted to $39,820,597, the net amount paid by them, or about 7 per cent. of $560,000,000.

It seems evident that there is a good deal of evasion yet under the present income tax system. There is little evasion by individuals occupied in full-time work in factories and offices. These wage earners and salaried persons are double-checked because of returns that employers are required to submit. Farmers are being subsidized to the extent of almost total relief from income tax. Professional men and merchants, as has already been pointed out in these columns, seem to be getting away with a great deal for the number of such individuals who are paying taxes compares lamentably with the total number in the country.

There is point to the figures prepared recently by Professor Hubert Kemp of the University of Toronto. He indicates that in the United States in the last year for which data is available one person in seventeen paid income tax. In Canada in 1921 the figure was one in forty-five and in 1922 one in thirty. The total amount of income brought under review by income tax returns in Canada is about $150 per capita while in the U. S. the figure is double that.

Welsh Coal Exporters After Canadian Trade

From Our Own Correspondent.

MONTREAL. — Welsh anthracite coal owners and exporters are making careful and considerable preparations to offer anthracite in the Canadian market in qualities and at prices which will compete strongly with American coal. The plan of the Welsh exporters is apparently to deliver large tonnage of run-of-mine anthracite at Montreal during the summer months when the St. Lawrence is open; to establish there coal wharves and coal breakers; to treat and grade the coal there; and to supply the provinces of Ontario and Quebec regularly and promptly, according to the demand of these markets. According to a report made by the British trade commissioner the imports of British coal into Canada during 1922 totaled 874,175 tons, as compared with only 1,481 tons in the preceding year.

"One Big Union" Passes; Only 100 Members Left

From Our Own Correspondent.

MONTREAL.—The practical disappearance of the "One Big Union," the somewhat revolutionary labor organization that reached the peak of its power and activities in Canada in 1919 and 1920 is indicated in figures now available of trades unionism in Canada. In 1921 there were 41,150 members of the O. B. U. in Canada. Only one branch reported its membership to the federal department of labor for the year 1922. This branch claimed 100 membership. It is a coal handlers' branch at Fort William.

Trades unionism in Canada has had a set back in membership due to industrial conditions and there were at the end of 1922, 276,621 members of 2,500 union branches as against 313,320 in the previous year and 378,047 in 1919.

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News and Views for Investors

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the last eight days of April amounting to 11,290 tons, 10,235 tons of which were produced by the company's mines and 1,055 tons by other mines. For the first four months of the year the receipts totalled 153,334 tons.

KEELEY MILL

Keeley's Mill will be increased from a tonnage of 60 to 125 daily. This decision is the result of continued favorable development on the property. It is announced that there will be no quarterly dividend, it having been decided to pay semi-annually. This is to meet the English shareholders who favor payments at such intervals, rather than quarterly.

PORTO RICO RAILWAYS

The Porto Rico Railways Company reports gross earnings for the month of March amounting to $110,623 compared with $108,633 for the same month in 1922, an increase of $1,989 or 1.83 per cent. Net earnings for the month at $31,090, showed a decline of $14,311 or 30.19 per cent. For the three months ending with March gross amounted to $330,698, an increase of $9,748 or 3.04 per cent. over the corresponding three months in the previous year, while net amounting to $120,256, showed a falling off of $16,059 or 11.78 per cent.

BARCELONA IN DEMAND

Barcelona is being heavily purchased again. 1,950 shares being taken up this week and 2,437 the week before as compared with 95 shares the week previous. There has been a stiffening of the price also, selling up from 18 to 19½ and then easing slightly. In February and early March there was a heavy buying of this issue for British account, it selling up from 15 to 20 and then sagging off as the demand eased up. In 1922 the stock sold as low as 3½. The present buying is said to be from the same source and is a further move on the part of the British and Belgian interests to create a trust company in France, the desired goal being a reduction in the capital liabilities of the concern with a consequent drop in capital charges. First mortgage bonds are said to be selling at over 50% discount.

WINNIPEG ELECTRIC

Winnipeg Electric, it is reported from Montreal, is being accumulated in some quarters, on the strength of a promising outlook for 1923 earnings. Last year the company suffered both in street car and gas earnings and this continued in January and February of this year. March and April, however, showed improvement. The Manitoba Power, a subsidiary, has increased materially its power production from its new plant and this will help Winnipeg Electric. Gross profits for 1922 were slightly lower than in 1921 but showed an increase over 1920, the figures being $5,395,223, $5,418,023 and $5,233,700 respectively. Expenses on the other hand were lower and net operating revenue was the best result for the three years being $1,868,508, as compared with $1,858,643 in 1921 and $1,804,803 in 1920.

ASBESTOS GROUP

L. A. Jacobs, president of the Black Lake Asbestos Co., this week painted a rather encouraging picture of the asbestos industry in this country. While in 1922, the Black Lake Asbestos Corporation experienced a decidedly poor year, this was attributed by Mr. Jacobs to huge inventory losses sustained when the sharp drop in prices came, but at the present time, business, he states, is better than at any time since 1920, and the company is behind in filling orders,

Questioned with regard to competition from Rhodesia, Mr. Jacobs stated that the high grade asbestos was now being produced here at a cost to more than meet the price of the African product, and that it is only in the high grade field that Rhodesia is a factor.

On the question of competition from Russian asbestos, Mr. Jacobs stated that in his opinion it was entirely negligible citing that only one shipment from that source has been received, and this had proved such poor stuff, as to practically exclude it as a competitor, at least for the time being.

CONFUSION OVER C. P. R.

U. S. market circles got somewhat twisted on the C.P.R. dividend announcement, made recently, says the Boston News Bureau. The announcement was that the railway had declared its regular quarterly dividend of 2½% on the common stock and in addition a 3% dividend from special income. In some quarters this was erroneously construed as an extra or an increase in the rate. It has been the practice of Canadian Pacific to pay 7% of its 10% dividend out of railway earnings and 3% from special income which includes income from investments, net earnings of ocean and coastal steamship lines and net earnings of commercial telegraph and news department, hotels, rentals and miscellaneous income. The regular quarterly dividend of 2½% just declared was made up as usual—1¾% from railroad operations and ¾ of 1% from special income. In 1922 Canadian Pacific showed total surplus after charges of $33,545,140, equivalent, after preferred dividends, to $11.66 per share on the $260,000,000 common stock Of the total available for dividends, $22,452,785 was from railroad earnings and $11,092,355 from special income. In other words, special income contributed nearly one-third of the total surplus earnings available for dividends.

BRAZILIAN TRACTION

The March statement of earnings of the Brazilian Traction, Light & Power Company, shows that gross for the month established a new record, standing at 19,475,000 milreis, as compared with 17,743,000 in February and 15,238,000 for March, 1922. Operating expenses at 7,664,000 were higher by 1,723,000 milreis, while net earnings amounting to 11,811,000 showed an increase of 2,514,000 over the same month last year. The aggregate gross earnings for the first three months of the year amounted to 55,878,000 milreis, an increase of 11,133,000 compared with the corresponding three months in 1922. Aggregate net earnings totalled 33,560,000, and compared with 26,453,000 milreis in 1922. Following are comparative figures:

	Gross (milreis)	Net (milreis)	Net inc. (milreis)
March, 1922	15,238,000	9,297,000	2,775,000
April	15,413,000	9,560,000	2,817,000
May	16,093,000	10,195,000	2,333,000
June	16,266,000	10,447,000	2,644,000
July	16,655,000	10,700,000	1,829,000
August	17,168,000	11,024,000	1,585,000
September	17,572,000	11,584,000	2,950,000
October	18,231,000	11,900,000	2,739,000
November	17,735,000	11,240,000	2,420,000
December	17,873,000	11,403,000	2,049,000
January, 1923	18,658,000	11,027,000	2,231,000
February	17,743,000	10,722,000	2,362,000
March	19,475,000	11,811,000	2,514,000

EXPECT WHALEN REPORT

Whalen Pulp and Paper shareholders may expect the annual report shortly. It will cover the past two years, no report having been issued at the end of the last two fiscal years of the concern, February, 1922-23. Whalen debentures and bonds are fairly widely held and there have been many enquiries as to when a statement would be forthcoming. For some time past, Hon. T. W. McCarry, the president, has been absent in Vancouver, the scene of the company's operations, but he recently returned east. Some time ago it was stated that the delay in issuing the report was to allow for the preparation of a new financing plan to be presented to the shareholders at the same time as the report. However, there are those who incline to the view that the showing of the company has not been on the best and that the delay was in the hopes that there would be a change. In a measure it is believed that this has taken place and that heavy shipments of shingles to the U. S. and other lumber products to the Orient, are now taking place. It may be, however, that something about the new financing scheme may be done. It is generally accepted that the future would be most bright for the company if it had a couple of paper machines and manufactured paper for the Pacific coast and Orient paper trade.

START PAPER MILL

The Provincial Paper Mill has started its Port Arthur plant on a production basis of 30 tons daily. This will be increased as the market improves.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	..	97¼
Algoma Steel 5's 1962	48	50
Amer. Sales Book 6's 1927	97¾	..
Ash. Hardware 5 p.c. 1928	91	..
Brompton P. & P. 8% 1941	109	..
Canada Salt 7's 1941	99	102
Wm. Davies 6's 1926	104	..
Dom. Iron Steel 5's 1939	81	83
Dunlop Tire 6's 1927	98½	..
Dom. Sewer Pipe, 6's 1927	94½	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93½	..
Gord. Iron & Fare 6's 1927	..	40
Harris Abattoir 6's 1928	99	..
H. Smith Paper 7% 1941	101	102
King Ed. Hotel 7's 1933	86	88
K. & S. Tire 7's 1935	78	82
L. Superior Paper 6's 1941	103	..
Marcus Loew's 8% Notes	..	96
Mattagami Pulp 6's 1937	62	..
Mattagami Pulp 7% Deb.	35	38
Morrow Screw 6's 1931	84	..
Neilson's Wm. 6's 1933	97	..
N. S. Steel 6% Deb.	88	90
Stan Clay Pro. 6% 1942	..	90
Western Power 5's 1949	85	87
Whalen Pulp 7% Deb. 1932	63	65
Burns P. 1st Mtge. 6's 1924	104	..
Simpson Robt. 5's 1952	85	..
Mount Royal 8% Deb.	89	91

INFLATION PERIOD END DISCOUNTED BY MARKET MOVE?

This is Question Arising From Bears' Recent Success

DECLINES WIDESPREAD

Practically Whole List Shows Weakness, Then Slight Recovery—Market Also Neglected

The Bears' hard knocks and the fraudulent fiasco of Monday caused the heaviest decline of some time in the New York stock market and the Montreal and Toronto lists have been weak and decidedly irregular as a result. Trading has not been lacking and at times it has assumed really active proportions. There has been a certain recovery. The question is asked, will it hold? Price changes have not been large. Quite a few issues, subject to special bullish news have recorded gains, including some industrials, but on the whole the gains have been few and widely scattered. This break in the list is evidently a first part of the break that has been predicted for some time. Again, the opinion is expressed that the market may rally. But here even is room for another warning. The pitcher may go to the well too often. A glance through one list of a day's transactions will give a clear indication of how the tide moves. In a straight total of 65 issues there were 32 gains and 24 losses. In other words, the declines are almost up to the fractional gains.

There has been no outstanding group in the trading, either buying or selling. The Bears on the Canadian markets have not concentrated on any one group or section.

The interesting point for the investor to weigh and consider is whether the break in the New York list is a definite move to discount a break in the period of prosperity which the U. S. is enjoying. There has undoubtedly been inflation. Can it last? The general feeling is that it cannot and also that there will be no easing back but a general panicky break as has always been the case. The question is when will the break back come? If the present turn in the market is a discounting one of the downward business turn, how much ahead of that turn is the market moving?

The situation is highly shot with speculation, with the result that the owners of funds are guarding them. Seasoned issues on firm dividend basis and good bonds even show a falling off in demand. This tendency to sit back and wait is also reflected in a rather quiet bond market which, like the stock lists, shows an inclination to weakness.

The mining list has experienced fairly steady trading with a show of weakness on the part of the gold leaders right at a time when news of the most favorable nature was coming out of the North. This included not only stories of important finds but also reports of plenty of power and the passing of any danger of a miners' strike at Porcupine.

WOULD STANDARDIZE ALL HARDWARE LINES

Movement to This End Started With Files and Saws

Standardization of hardware lines to curtail production expenses and facilitate merchandising by the elimination of superfluous lines is being undertaken in Canada, according to Hardware and Metal. A movement of this nature has been going on in the U. S. for some time.

The first move is on files, the list in use since 1899 is to go, and the new one will eliminate 150 of the odd sizes and kinds. Saw makers will reduce patterns, sizes and types.

E. C. Atkins & Co., Henry Disston & Sons, Inc., Simmonds Saw & Steel Co., are among the saw manufacturers who are participating in this movement toward the reduction of the number of patterns of hand saws being made, each pointing out that simplified manufacturing will assure better service to the trade.

Dealing with stove lines, W. R. Gibson, general manager, The Gurney Foundry Co., Ltd., Toronto, stated that a gradual elimination of stove lines has been going on for some years as it is generally recognized that there are too many styles and sizes. Stove parts and trimmings were also said to be undergoing standardization to a limited extent but this would not become a regular policy until the lines of stoves, ranges and heaters have been further reduced.

There is considerable talk of standardizing brushes but it is claimed in some sections that this cannot be carried out. Just as one manufacturer put it: "There is no question that there are still ten times the number of a variety in brushes on the market than there is any need to be, from a purely utility standpoint and we hope to see something very definite done before long in the line of a radical reduction of this variety. A program of standardization would be the only way of effectively bringing this about."

PORT HOPE SANITARY

It is rumored that Port Hope Sanitary common will soon go on a quarterly dividend basis of 1½%. The issue paid a 6% dividend in 1922 and it was then stated that this might be maintained if earnings held up. Reports are that the first quarter of this year showed a large earnings increase.

West's 1923 Prospects Depend on Wheat Price

The results for mercantile enterprise in Western Canada in 1923 will depend largely upon what the farmers realize for their products, according to W. P. Riley, head of Western Grocers, in addressing the annual meeting. He contended that the 1922 crop did not yield sufficient profit to the farmer, yet it had laid the foundation on which the West can build to do better things. He expected that, through a reasonable period, the West could be expected to show a real sturdy comeback.

All the directors were re-elected.

SUGAR ADVANCE DUE TO WORLD SHORTAGE

Aftermath of American Legislation Which Was Discouraging to Production

The situation in regard to sugar is an unusually interesting psychological study, according to Hayden, Stone & Co. Through their representatives in Congress, the American people, at the very extreme of the depression, raised the duty on sugar, thus discouraging the planting of cane in Cuba, which is, and always will be, the municipal and logical source of supply for this country. Then when the increasing demand, plus the prospect of a crop less than expected, resulted in passing along this increased duty to the consumer, instead of its being absorbed as previously by the producer, there was an uproar over the price which inevitably resulted. The animus displayed against sugar is a little difficult to explain; there was no talk of extortion or boycotting when the price of cotton doubled. That the present is the logical outcome of supply and demand is appreciated by those able to take a broad-gauged view. An English correspondent writes as follows:

"It is difficult for me at the moment to form any definite forecast of the immediate future of the market, but one or two facts are quite potent; (1) the elementary principle of the world price of an article being governed by the fundamental law of supply and demand cannot be upset by the action of a local Government regulation ;(2) It is difficult to foresee how your future market, if allowed by your Government to continue its operations, can transact its business at prices other than those of the parity of the raw material.

"At present, we on our side are satisfied to accept the inevitable fact that there is a world shortage of sugar, and while it would be idle to deny that many persons of all nations may have speculated in the article, the basic factor of the shortage of supply still remains potent, the only cure for which is a rise in price to check the consumption.

"Having, therefore, accepted this belief there is little else that really matters in the long run, and while there may be brought out a few nervous sellers—either by fear of some mythical prosecution of the possibility of some financial panic—the position is bound to find its own level in the near future."

PAY 50 CENTS FOR INTEREST IN KEORA

British Interests Purchase Large Holding in Keora Companies

British interests have purchased control in South Keora and a heavy interest in Porcupine Keora. Deals to this end have been negotiating for some time and of late no less than three distinct groups of English speculators have been after the property, which fact, no doubt, had a lot to do with the favorable price of 50 cents for 1,800,000 shares of Treasury stock. Keora has promise of being a big mine. Reports of reputable engineers are that the property has a great chance. One of the most optimistic reports ever prepared was that by some engineers who examined the property for the Dome. Capt. Anchor prepared the last report. Considerable development work has already been done on the property. Keora is in North Whitney. Both Keora companies are practically the same. The properties adjoin.

North Colonial Gold Plans Cyanide Mill

From Our Own Correspondent.

MONTREAL.—Plans are being drawn up by the North Colonial Gold Mines for the blocking out of a large body of ore and the erection of a cyanide mill.

This property, which is located in the Rainy River district of Northwest Ontario, was formerly known as Elizabeth Gold Mines and was operated by the Anglo-Canadian Gold Estates of London, England. The death of the head of this institution necessitated the closing down of work. There is still a good deal of machinery and equipment at the mine and two shafts are in existence, one of them 280 feet deep. Alex. McKinnon, vice-president of the company has just visited the property and reports that this machinery and equipment is all in good condition. Funds are being raised for development work through S. H. Powell and Company.

GREAT NORTHERN POWER

The storage dam at Big Bend Falls of Great Northern Power Company has been completed, and the company is scheduled to turn on power about June 1st. Power would have been available about May 1st, but for the lateness of the spring. Transmission right-away has been cleared and the line completed to South Porcupine.

The contracts that are now signed will take the entire output of the 1st unit.

G.T.P. DEBENTURE HOLDERS ALLEGE AN UNFAIR DEAL

Declare Claims Have Been Ignored at Ottawa

Representing the holders of the Grand Trunk Pacific four per cent. debenture stock, the stockholders' committee—Paymaster Rear-Admiral Sir Francis Harrison-Smith, K. C. B.; The Right Hon. Sir Arthur Harry Samuel, P. C.; and Sir William Acworth, K. C. S. I.—have prepared a complete report of the situation regarding the representations made to the Canadian government in respect to interest payments. These representations, the committee explain, were made to the government five months ago and up to April 24th not even the curtest of an acknowledgment had been extended. The case for the shareholders as published is summarized as follows:

(1) The Grand Trunk Pacific debenture holders remained passive while the proceedings for the acquisition of the Grand Trunk Company were going on, because repeated statements were made by the responsible ministers such as Dr. Reid (then Minister for Railways) who said: "When we take over the system (the Grand Trunk) system) we shall assume the liabilities in connection with the Grand Trunk Pacific."

(2) The Government used before the arbitrators the liability of the Grand Trunk on its Grand Trunk Pacific Debenture guarantee as an argument to prove that the Grand Trunk preference and ordinary stocks were worth nothing. Having succeeded in this contention, and having obtained £37,000,000 of these stocks for nothing, they would, if they refused also to pay interest on the Grand Trunk Pacific Debentures, be "having it both ways."

(3) The "guaranteed" shareholders of the Grand Trunk covenanted to pay interest on the Grand Trunk Pacific Debentures before they received any dividends themselves. The Government has entered into an agreement by which these "guaranteed" shareholders are paid in full, while Grand Trunk Pacific Debenture holders are left out in the cold. The injustice speaks for itself.

(4) During the five months that the Canadian Government has been in possession of our representation they have been occupied in amalgamating the Grand Trunk and Grand Trunk Pacific undertakings over which we have definite legal rights, with other large systems in their possession with which we are not concerned. This will not only make it impossible for outsiders to know what are the real earnings of the Grand Trunk System, but also make it possible, and in many cases commercially desirable, for the Government to divert traffic and, therefore, net revenue from the Grand Trunk to other portions of the amalgamated system. The committee are advised by eminent counsel, both English and Canadian, that they have substantial legal rights and the chairman of the committee now purposes, as authorized by the meeting on July 19 last, to proceed at an early date to Canada to press the claims of their five thousand supporters.

Teck-Hughes Deep Level Proposals of Interest

Teck-Hughes will sink a central shaft to the 2,000-ft. level. Progress on this effort will be watched with the widest interest. There are those who have contended that Kirkland Lake camp will prove a shallow one. The Teck-Hughes working will be the deepest in the camp. The new shaft will allow for eleven working levels below the start of the rich mineralized area at the 500-ft.

KEELEY APRIL PRODUCTION

Keeley mine in South Lorraine produced 118,000 ounces of silver in April. It is expected from now on the production at this rate will be maintained until the additional milling equipment is installed.

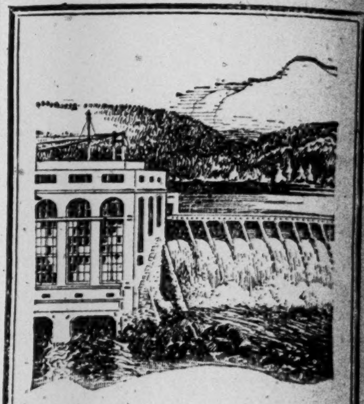
PROVINCIAL PAPER

At the office of Provincial Paper Mills, S. F. Duncan, secretary-treasurer, characterized as rather premature the announcement that the company would build a one million dollar soda mill at Port Arthur in 1924 for the purpose of making woodpulp out of poplar. He admitted, however, that the project was part of the general program of expansion, although as to when it would be put into effect would altogether depend upon what measure of success attended the enterprise recently inaugurated at Port Arthur.

Mining Stock Quotations

Week Ending May 8

	High	Low	Close	Sales
Argonaut	72	68	72	45,475
Atlas	9¼	8½	8¾	91,000
Apex	4⅛	——	——	2,500
Baldwin	14¾	10½	13¾	118,000
Beaver	44¾	43	44½	18,800
Castle Trethewey	27	25½	27	19,500
Coniagas	2.90	2.60	——	1,500
Cons. Smelters	26½	25	25	1,403
Crown Reserve	73	71	72½	31,250
Davidson C. Ex-rights	6¾	6¼	6¼	5,000
Dome Mines	42.75	46.00	42.00	2,520
Gifford	1	——	1	2,000
Gold Reef	3⅜	3½	3¼	35,500
Goldale	46½	43½	46	24,900
Hillcrest, com.	70	69	70	100
Hillcrest, pref.	91	——	——	59
Hollinger	13.25	13.00	13.00	5,250
Hunton	14	13½	13¾	39,500
Keora	14¾	13	14	27,000
Kerr Lake	2.90	——	——	100
Kirkland Lake	55	54	54	6,100
La Rose	35	30½	34½	41,300
Lake Shore	3.55	3.35	3.48	7,125
McKinley Darragh	20	18½	19	23,500
McIntyre	20.50	18.00	20.00	15,125
Mining Corp.	3.10	2.95	2.99	2,125
Moneta	24½	23	24	33,500
Newray	45½	39½	44½	109,200
Nipissing	6.10	5.90	——	2,995
Ophir	2¾	——	——	3,300
Peterson Lake	14¾	11½	12	7,500
Porcupine Crown	15	14½	15	6,600
Porcupine Tisdale	3½	3¼	——	2,000
Preston E. Dome	14¾	14	14	19,000
Teck Hughes	1.30	1.10	1.26	218,350
Timiskaming	48	45½	45½	25,600
Thompson Krist	6	5⅝	5	7,500
Trethewey	4½	——	4½	2,500
Wasapika	7	6½	7	50,500
West Tree	11¼	10½	11	44,500
Bidgood	24½	22	21⅞	52,000
Buckingham	35	31	33½	217,000
Chaput Hughes	10	——	8½	22,000
Clifton	25	22	25	55,500
Col. Kirkland	14¾	14½	14¾	12,500
Cons. West Dome	35	30	35	187,500
Dom. Kirkland	3	2¾	3	8,500
Churchill	12½	10	11⅝	15,000
Hattie	39½	37	37	25,300
McEnaney	39	——	37½	4,500
Vickers	29	28	28½	22,000
Vipond Cons.	75	72	75	28,500
Wakenda	8½	8	8¼	5,500
Wright-Hargreaves	3.55	——	3.55	1,900
Lorrain	33	30	30½	87,500
Keeley	2.00	1.87	1.90	4,300
Wettlaufer	15	11	15	22,000
Algonquin	8	7	——	5,000



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Kirkland Lk.

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25 Loew's Buffalo Pref.
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200 K. & S. Common
75 Durant Motors
25 Tor. Pantages Com.
10,000 Can. Assoc. Goldfields
25 Loew's Windsor Pref.
100 English Electric, with 40% bonus

Will Sell
75 Loew's London Com.
25 Loew's London Pref.
100 Loew's Buffalo Com.
25 Loew's Buffalo Pref.
300 K. & S. Com.
500 K. & S. 7% Bonds.
50 Durant Motors
72 Ham. Theatres Com.
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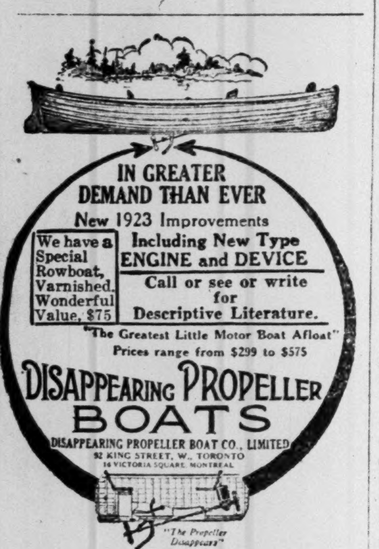

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PORCUPINE MINES WILL SOON RESUME MAXIMUM OUTPUT

Hollinger, Dome and McIntyre Have Plenty of Power

BIG B.C. SALE MADE

Canada Copper Bond Default Results in Auction—Price is $2,000,000

There will be a steady expansion of mining operations in the Porcupine field from now on. Full power is available and the mines are now gradually working up to the point where they will consume the maximum supply. All the operations that were curtailed as the water supply and available power decreased have been picked up again. This is true of the three big producers and the many smaller operations that were in the various stages of development when they were forced to more or less abandon the battle. Hollinger will soon be back to 4,500 tons, Dome to 1,200 and the McIntyre is ready to go to 1,000.

Two important events of this camp's life taking place recently have been the opening up of a large body of $20 ore on the 400 level of the Vipond and the purchase of control in the Moneta by the Kirkland proprietary. Moneta touches the Hollinger on the west and is a part of the Timmins Townsite. The Vipond abuts the Hollinger on the south. The find on the latter property, which has showed up better since it has been opened up a little more, will likely mean that there will be action taken to carry out the proposal to get the mine's mill into shape for operations.

Visitors from the North attest to the spectacular body of ore that the McIntyre has opened up on the 1,875-ft. level. It is said that values run to almost unheard of levels.

Porcupine Davidson has purchased some equipment and will have the new machinery on the property by the time the power from the Matachewan plant is ready.

The offer of the Matachewan Canadian Mines by Sutherland and Co. is reported going well. Reports are abroad that the ore estimates of the property are most conservative, especially after an analysis of the blue prints of the diamond drill work. The outlook is that there will be considerable activity in the camp this summer. Matachewan has a number of promising properties and the success of the Matachewan Canadian, as evidenced by the reports recently issued, is focusing attention on that area.

$2,000,000 for Copper Mine

Valuable properties near Princeton, B. C., and in the Curlew mining districts of Washington, were auctioned off at Victoria for $2,000,000 to Trenholm M. Marshall, a New York attorney. Following default of a $2,500,000 bond issue, assets of the Canada Copper Corporation were ordered sold by Mr. Justice Macdonald at an upset price of $2,000,000. The amount found due on the bonds, including interest, totalled $2,926,790.

Mr. Marshall, it is understood, represented the bondholders, and the sale to him is preliminary to conveying the title to the properties to the Granby Consolidated Company as an adjunct to its valuable holdings near Anyox.

The lessees of the old I. X. L. free gold mine, Rossland, B. C., miners, who have been operating the property for the past two years, are making another shipment of ore to the smelter. About 50 tons all told, which includes the high-grade ore in sacks, is being sent to the smelter at Kellogg for treatment, and it is said that some unusually rich ore has been encountered of late and is included in the shipment being made. Mining is still in progress at the famous old mine, which was abandoned many years ago, and now appears to be in its prime again.

New Roofing Concern Locates at Winnipeg

From Our Own Correspondent.

WINNIPEG.—A $25,000 stock offering is being made by the Winnipeg Roofing Co., a recent incorporation with a capital of $50,000 of 500 shares with $100 par value. Its plant is now being constructed at St. Boniface and it is expected will be operating towards the end of June. Building and machinery will cost $11,000 and will start with 400 rolls of roofing paper per day or its equivalent in shingles, saturated felt or building paper. It is claimed that there is sufficient business offering on the prairies to keep the plant working the year round. The stock is being sold on the five-payment plan. No commission for selling is being paid, the solicitation being entirely by advertising. F. R. Dowse is president and Mayor R. J. Swain, also St. Boniface, vice-president. B. D. White, a practical man and former roofing manufacturer of Vancouver, is manager. A dividend of 20 per cent. the first year is one of the inducements held out to stock buyers.

RAILROAD EARNINGS

Gross earnings of the Canadian Pacific Railway for the week ending April 30, amounting to $3,737,000 showed an increase of $381,000 compared with the figures for the corresponding period in 1922.

The Canadian National Railways report gross earnings for the week ending April 30, amounting to $5,964,973, or an increase of $1,488,318, as compared with the corresponding week of last year. From January 1, to April 30, gross earnings have been $72,978,908, an increase of $9,302,306 over last year.

PROFITS ARE DOWN

Parent of English Electric Shows Lower Profits for Past Year

English Electric, the parent of the Canadian concern of the same name, made a profit of £262,655 last year. In 1921 the figures were £317,423 after providing for debenture interest on 8 per cent. notes and including £55,599 brought in, there is available £167,002, against £210,765 for 1921, when £46,236 was brought forward. It is likely that the common stock will receive a 5% dividend. This was done last year. The two previous years drew 8%.

SOO'S MINING AREA NEEDS PUBLICITY

Must Make Opportunities Known to Bring About Active Work

From Our Own Correspondent.

SAULT STE. MARIE.—Addressing the board of trade, Geo. W. McLeod, mining engineer and an authority on local mining enterprises, declared that what the mining industry in this district requires is more publicity, showing that there are three gold showings in the Goudreau area for every one in the new Quebec field. He declares that of the two thousand parties equipped to go to the Quebec field this year many would have come here if they had known the possibilities of the local district. He asserted if the Soo were established as a mining centre it would be of more benefit locally than another steel plant. Mr. James Lyons, president of the board of trade, assured the members the Soo board of trade were alive to the great future for the mining industry and would give support to have the government make further investigations of the low grade iron ore possibilities.

ADVANCE IN PRICES IN MANY COUNTRIES

The Recent Upward Movement Has Not Been Confined to America

The Trade Record of The National City Bank of New York, which has made a careful analysis of prices abroad at the end of 1922 compared with the same month one year earlier, finds evidence of price advances in all parts of the world.

Seventy-five principal articles of imports were selected with which to compare prices abroad with those of a year ago, and about 60% of the number show advances during the year. The articles selected include representative manufacturing materials, foodstuffs and a limited number of manufactures, and advances are especially marked in raw materials and foodstuffs. Raw silk, for example, shows an average import price of $7.77 per pound in December, 1922, compared with $6.59 in the same month of 1921, and an average annual price of $5.90 per pound in 1919, $4.61 in 1917, and $3.09 in 1915. Spun silk averaged in December, 1922, $2.53 against $2.47; pig tin, 29.4c per pound against 27.8c; india rubber 15½c against 14.3c; cattle hides 16.8c per pound against 12c; sheepskins 21.4c against 16.7c; jute and jute butts $129.89 per ton against $74.19; copper 12.9c per pound against 9.9c; leaf tobacco for cigar wrappers $2.25 per pound against $1.85; combing wool 29c against 20.4c. In the foodstuffs, sugar, tea, coffee, wheat, rice and corn show advances, though most of the fruits and nuts show decreases during the year. Among the manufactures cotton cloths show advances in the latest month for which a record is made as compared with the closing month of the preceding year, so do woolen cloths, burlaps, chemical wood pulp, unbleached mats and matting, and shingles.

STOCK MOVEMENTS OF THE WEEK

Week Ending May 8

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12	200½	199½	201	198½	200	172
Dominion	12	198	195	197	196	197	69
Hamilton	12	171	170	171	170	170	42
Imperial	12	184	—	185	182¾	182¾	100
Molsons	12	—	175	176¼	176¼	176¼	6
Montreal	12	—	244	245	245	245	202
Nationale	6	98	—	99	99	99	1
Nova Scotia	16	263	—	263	262	263	17
Royal	12	—	220½	221½	219	220½	172
Standard	14	209	208	209½	208	208	64
Toronto	12	—	190	191	191	191	24
Union	10	136½	136	136½	136	136½	395
Industrials, Utilities, etc.—							
Abitibi Pulp & Paper, com.	4	67¼	66¼	67⅜	66	66½	1945
Do., pref.	7	99	98	100	99	100	160
American Salesbook, com.	—	—	35	35½	35	35	210
Do., pref.	7	92	91	92	91½	92	16
Asbestos Corporation, com.	6	63¼	63	63¼	63	63	495
Do., pref.	7	85¼	85	86	85	85¼	100
Atlantic Sugar, com.	—	21	20	23	20¼	21	470
Barcelona Traction	—	18¼	18	19	18	18⅛	1950
Bell Telephone	8	121½	121⅛	121½	121	121⅛	1408
Bird & Son, pref.	7	95	94	94	94	94	5
B. C. Fishing	—	17½	17	17½	17	17½	60
Brazilian Traction, com.	4	49½	49¼	51	49	49¾	4806
British Empire Steel, com.	—	7¾	7½	8	7¾	8	1230
Do., 1st pref.	7	68	67½	67½	66½	67	191
Do., 2nd pref.	—	21¾	21½	22	21	21	1521
Brompton Pulp	—	40	39½	41	39¼	40	2120
Burt, F. N., com.	10	135	134	135	135	135	77
Do., pref.	7	—	134¾	134¾	134¾	134¾	3
Canada Bread, com.	—	60	—	61	60	60	125
Do., pref.	7	95	94½	95	94⅞	95	92
Can. Car & Foundry, com.	—	32	30	32	30	31	360
Do., pref.	—	75	74	75¼	74	74	285
Canada Cement, com.	6	83¼	82	84¼	82½	83½	984
Do., pref.	7	—	102	103¾	102½	103	91
Canada Steamships, com.	—	17	16¼	17	17	17	69
Do., pref.	—	51¼	50	52	50½	51	631
Canadian Converters	7	97	96¾	98	96½	96¾	170
Canadian Cottons, com.	8	122	119½	122½	119	119	366
Do., pref.	6	—	90½	90½	90	90½	51
Can. General Electric, com.	6	99	98½	100¼	96½	99	1334
Do., pref.	7	—	105	106	106	106	30
Can. Locomotive, com.	4	73½	—	73	73	73	5
Do., pref.	7	97¾	—	97¾	96	96	26
Canadian Pacific Railway	10	155	154½	156	152	154¾	256
Canadian Salt	8	110	109	110	109	110	27
Can. Woollens, com.	—	18	—	16	16	16	10
City Dairy, com.	10	143	140	145	140	145	190
Do., pref.	7	105	103	104	104	104	4
Consumers Gas	10	159	158¼	159	158	158½	264
Crow's Nest Pass Coal	6	50	48	48	47½	47½	61
Detroit United Railway	6	76¼	76	76½	75	76	1096
Dominion Bridge	4	76	74¾	75	74½	75	51
Dominion Canners, com.	—	33½	32½	34	33	33	40
Do., pref.	7	89	87	88½	87	87	79
Dominion Glass, com.	7	98	97½	99½	97¼	97¼	550
Do., pref.	7	102½	102	102¼	102¼	102¼	60
Dominion Iron, pref.	7	—	76	76⅛	76	76⅛	75
Dominion Steel Corp., pref.	6	77½	—	77½	77	77½	35
Dom. Textile, com.	4	67½	67⅜	67½	67	67	524
Do., pref.	7	115	110	110	110	110	112
Duluth Superior	—	35½	34	37	36	36	60
Davies, Wm. (A)	—	35	30	30½	30½	30½	20
Goodyear Tire, pref.	7	93	92	93	93	93	81
Illinois Traction, com.	—	53½	—	54	53	53	173
Do., pref.	6	89	88	88	85½	88	740
Kaministiquia Power	8	123	—	120	119	119	35
Lake of Woods Milling, com.	12	—	176	176	176	176	115
Laurentide Paper	6	92⅜	92	92¾	91¼	92	1341
Lyall Construction	—	40	37	40	40	40	110
Macdonald, A.	—	8¾	8	8	8	8	40
Mackay, com.	7	115	112	115	114½	115	51
Do., pref.	4	70	68	68½	67¼	68	191
Maple Leaf Milling, com.	8	115	—	117	115	115	25
Do., pref.	7	101	100	101	100⅞	100⅞	32
Monarch Knitting, com.	—	—	40	40	40	40	10
Do., pref.	7	—	82	82	82	82	16
Montreal Cotton, com.	6	112	—	112	112	112	15
Montreal Light, Heat, Cons.	6	—	116	116½	115¾	116	1890
Montreal Trams	10	148	145	144	144	144	4
National Breweries, com.	4	51	50¾	51¼	50	50¼	810
Do., pref.	7	95	—	95	94¾	94¾	1485
Nova Scotia Steel, pref.	8	85	—	85	85	85	20
Ogilvie Flour, com.	12	315	—	320	315	315	16
Do., pref.	7	120	116	115½	115	115	20
Ontario Steel Products, com.	—	—	44	45	45	45	31
Do., pref.	7	90¼	—	90¼	90¼	90¼	10
Ottawa L. H. & Power	6	85¾	—	86	85	85¼	39
Pacific Burt, pref.	7	106	104	107	107	107	10
Penmans, com.	8	—	154	158	157	157	220
Do., pref.	6	—	95	96½	96	96½	25
Port Hope Sanitary, com.	—	52	50	51	51	51	100
Do., pref.	7	89	88	89¾	88	89	48
Porto Rico Railways, com.	—	25	—	25	25	25	5
Do., pref.	7	—	80	80½	80½	80½	22
Price Brothers	2	44⅞	44¾	45½	44¾	44¾	687
Provincial Paper, com.	6	—	91½	91½	91½	91½	10
Do., pref.	7	—	96½	97	96	96	305
Quebec Railway	—	25¾	25¾	25⅞	21½	25¾	8536
Riordon Pulp, com.	—	5	4	5	4	4	480
Do., pref.	—	10	9	9⅞	9⅞	9⅞	175
Rogers, Wm., pref.	7	94	—	92½	92½	92½	5
Russell Motor, pref.	7	—	60	60	60	60	40
Sawyer-Massey, pref.	—	25	18½	18½	18½	18½	5
Shawinigan Water & Power	7	115½	115	116	114¾	115½	1275
Sherwin Williams, com.	6	111	97	112	112	112	25
Do., pref.	7	—	100	100	100	100	5
Shredded Wheat, com.	8	—	147	148	148	148	15
Spanish River Pulp, com.	7	93	90½	93	90½	92⅝	2405
Do., pref.	7	103	100	101½	100½	101½	2285
Smith, Howard, Paper, com.	6	78½	—	79	78	79	157
Do., pref.	8	105	103	104¾	103	104½	62
Steel of Canada, com.	7	75½	74½	76	73½	75	2667
Do., pref.	7	101	100	100½	100	100¼	220
St. Lawrence Flour, com.	6	72¼	—	70	70	70	2
Do., pref.	7	—	93	93	91	91	130
St. Maurice Paper	5	107½	106¼	107½	103	106½	1090
Toronto Railway	—	84½	83½	85¼	83½	84	675
Tuckett Tobacco, com.	4	55	—	59½	53	53	565
Twin City, com.	—	64¼	63¾	66½	64¼	64¼	618
Wabasso Cotton	4	—	80	80½	80	80½	150
Wayagamack	—	57	55	56	56	56	10
Western Canada Flour	8	—	105	105	105	105	5
Winnipeg Electric, com.	—	36¾	36	36¾	36	36	371
Do., pref.	7	87	86	86½	85½	86	245
Cuban Can. Sugar, com.	—	8¾	8⅛	9	8	8⅛	85
Do., pref.	—	39½	—	40	39	39	150
Can. Landed	10	81	78	80	80	80	9
Can. Permanent	12	185½	184	185½	184½	185	11
National Trust	12	205	202	202	202	201	1
Real Estate Loan	7	93	91	93	93	93	2
Toronto Gen. Trusts	12	—	202	206¾	206¾	206¾	5
Toronto Mortgages	10	—	81	82	82	82	2

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The Management is in the hands of men of proven ability and long, successful experience in the business, and is so organized as to insure continued good management.

EARNINGS

Average annual earnings available for bond interest for the last six years	$151,173.40
Total bond interest requirements	56,000.00

The company is operating today at a profit of over $15,000 per month, or on a basis of about $200,000 per annum, against bond interest requirements of only $56,000.

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THIS week's issue of our Market Despatch should be in the hands of every forward-thinking man. In addition to a specially prepared editorial setting forth Actual Mine Conditions in the Gold Camps, feature articles on the following active issues are included:

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Paid-up Capital	$2,414,663.00
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BUSY YEAR FACES MINING AREAS OF NORTH MANITOBA

Much Real Prospecting and Development Work is Under Way

OUTSIDE CAPITAL

British and New York Funds Are Active in Carrying on Preliminary Work at Mines

From Our Own Correspondent.

WINNIPEG.—Considerable mining development will mark Manitoba operations this summer. Considerable outside capital is interested. Joseph Myers, managing director of the Bingo, a British financial concern, says the prospects this year for successful developments are bright. More real prospecting and exploratory work, according to Mr. Myers, is being done than ever before, and more mining persons from Eastern Canada and the United States are becoming interested in The Pas district.

Interesting announcements are expected shortly from the Devlin Mining Company. This organization, which is composed chiefly of Winnipeg persons, is diamond drilling on Bear River, near Bear Lake, just east of Lake Winnipeg, within one hundred miles of the city. There is an undoubted deposit of copper on this property, but the question that remains unanswered is as to the quantity and extent of the ore body.

The machinery for the Bingo was taken over Herb Lake to the mines in the early months of the year. "Not only did we buy the best machinery," said Mr. Myers, "but to eliminate possible risks we also provided that the contracting company in addition to delivering the equipment at the mine should instal and operate it for thirty days after completion. The contracting company is now engaged in doing this. So far everything has gone to our satisfaction and there is practically no doubt but that the test will be completed successfully."

Mr. Myers said that all the money that was required or would be required for the development of the company on a producing basis has been provided.

Development plans are for sinking the shaft, which is now down 200 feet, to a depth of four or five hundred feet. Drifting and cross-cutting to cut the five known veins on the property will also go on. They expect to do 100 feet of drifting at the 200-foot level and do additional drifting at the four or five hundred feet levels as rapidly as the work can be carried out. Thirty men are employed.

"One drawback to mining in this district," said Mr. Myers, "is that it has never been treated seriously as a business. Good management is as essential in operating a mine as in any other enterprise. There are three essentials to success in a mining proposition: you must have the gold, you must have sufficient capital for development and you must have good management. As I have said, the Bingo is the only mining company that I know of which has started in this district with enough money in hand at the beginning of operations to see it through. If our efforts are anything like as successful as appearances indicate and as we have every reason to believe they will be, there will be no lack of money to try out other propositions of a similar nature.

What Success Means

"One success will bring millions of dollars to the district. It will mean to Winnipeg what Cobalt and Porcupine did for Toronto. As a matter of fact, the chances of success in a mining property honestly conceived and properly conducted are better than most people think. The majority of people have really an entirely erroneous impression regarding the possibilities and risks of mining, for statistics show that there have been fewer failures in legitimate mining enterprises than in any other field of human endeavor. I am not referring to cases where companies have been formed, and they often are formed just for the purpose of stock jobbing. That is not mining. I refer to those cases where mining propositions have been undertaken, after every reasonable precaution has been taken to demonstrate the merits and possibilities of a property and where the money has afterwards been judiciously spent. In such cases there have been fewer failures in mining than in any other form of industry that I know of."

Speaking of the Rex, the property which adjoins the Bingo, Mr. Myers said that it was rumored that this property had been taken over by a big mining company and that New York money had also gone into other properties in that district. At Elbow Lake, Copper Lake and Schist Lake prospecting and exploratory work will be undertaken this year. In the Rice Lake country interest centres upon the Luleo property where a mill and complete equipment was provided by the former owners.

This most promising prospect is now owned by fifteen New York people. A. B. Smith, well-known New York lawyer, is the president of the company. H. V. Hudson is the Canadian representative and the only Canadian director.

The controlling company at the Luleo is the Selkirk Gold Mining Company and there is a subsidiary operating company known as the American Development Company. Mr. Hudson states that during the present year the exploratory and development work in the mine will be continued and that the mill will be operated through the year as a test. If the exploratory work shows that the Luleo has the requisite quantity of ore, the present plant will be scrapped and a modern and complete mining equipment will be installed.

Looking over the map which shows the multitude of located claims extending for mile after mile from west to east, Mr. Hudson states that the Rice Lake district without doubt had a most extraordinary body of mineralized rock. Somewhere in the area it was probable that at some time there would be found a deposit where a quantity of ore was combined with quality. It was therefore quite possible that in the future the Rice Lake country would become a wonderful mining field. The new company was, of course, not looking for capital from any source, the fifteen present owners being prepared to provide funds until the experiment is complete. When the test has been made they are also prepared to put in all the needed money to produce gold on a large scale.

The Gold Pan, which, in earlier years sent to Winnipeg the most spectacular ore ever seen here, is now being operated by a number of people of Pittsburg who have leased the property and who are putting up the money for the present operations. J. A. Borthwick, of Morden, is in charge and will give efficient supervision of the operating. Mr. Borthwick has always had faith in the Rice Lake field and in the Gold Pan property. He has had considerable experience in mining in the big fields of the United States and has for the past few years been identified with operations at the Gold Pan, and the Pan Extension. The latter property is tied up at the present time for lack of funds.

At Bear River near Bear Lake it is thought that the present operations will be completed in about two months' time. At this point Winnipeg people are interested in a big copper proposition and diamond drilling has been in progress for a considerable period.

"STEAMERS" CLAIMS AGAINST GERMANY

Canada Steamships Claims $3,600,000 for War Losses—Hearing Set for June Seventeenth

From Our Own Correspondent.

MONTREAL.—The claims of the Canada Steamships Lines for war losses on its ships are largely a reiteration of the original claims made in 1919. The company claims $3,651,639 from Germany on account of the loss of ships. This is about $30 a share on the common stock but shareholders must remember that the procedure for collecting claims from Germany is long and, basing one's judgment on the experience of other collectors, not always successful.

The amount claimed is the difference between the value of vessels sunk by mines, submarines and other enemy agents of destruction and the amount the company collected from insurance companies. The submarine warfare started so suddenly the company did not have all of its ships fully insured against war contingencies from the beginning.

The claims will be heard in Montreal, on June 5, along with about 75 others from various individuals and companies. Hon. William Pugsley, who has been appointed adjudicator of such reparations claims against Germany will hear the evidence.

The claims against reparations must be distinguished from claims against the alien enemy property fund out of which are paid bills due to Canadians by German firms.

FAMOUS PLAYERS PROFITS AT $500,000

Such is Estimate Based on Earnings for First Half of Fiscal Year

From Our Own Correspondent.

MONTREAL.—For the six months ending February 24th, 1923, the earnings of Famous Players Canadian Corporation, after providing for depreciation and other write-offs amounted to $297,553. During that period preferred dividends of $160,000 were paid. This left a surplus for the half year of approximately $137,553 over and above dividend requirements. Based on weekly reports of earnings since February of this year it is expected that the net earnings for the period ending August, 1923, will amount to at least $500,000 after full provision for depreciation and other charges. As preferred dividend requirements are $320,000 per annum this leaves a nice balance available to improve the liquid position of the company and for the payment of second preferred dividends.

Famous-Players Corporation was formed in 1919 when $4,000,000 of 8 per cent. first preferred was offered to the public. The company to-day owns and controls theatres to the number of 32, with a seating capacity of 37,000. Earnings have fluctuated somewhat since the company was organized, due to trying conditions during part of the period. Earnings for the year ending August 28th, 1920, were $291,987, against first preferred dividends of $180,000. In 1921 earnings were $380,838, when dividends had increased $320,000. Last fiscal year ended August 26th, 1922, earnings were just sufficient to cover dividends.

The Royal Securities Corporation points out that the 8 per cent. preferred is selling at about 82, with a 50 per cent. common stock bonus, and in a special circular on the issue states its opinion that the first preferred dividends should continue to be earned by an increasingly substantial margin, and that the common shares present a speculative opportunity.

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TENTH ANNUAL FINANCIAL STATEMENT AND DIRECTORS' REPORT

OF

WESTERN GROCERS LIMITED

Wholesale Grocers

At the Annual Meeting of Shareholders, held at the head office of the Company, on May 1st, the Board of Directors was re-elected by unanimous vote, and the Financial Statement and Directors' Report as given below unanimously accepted:

REPORT TO SHAREHOLDERS

Your Directors herewith present the Tenth Annual Statement for the year ended December 31st, 1922, and taking into consideration the difficult trade conditions which have existed during the year, we feel confident that it will have your approval.

The Net Profits for the year, after deducting all operating expenses, making adequate provision for bad and doubtful debts, and writing off $16,599.57 for depreciation on Delivery, Office and Warehouse Equipments, amount to $140,305.28. This, added to the Surplus of $38,049.86 brought forward from last year makes a total of $178,355.14, which was dealt with as follows:

Dividends on Preference Stock for the year to 31st December, 1922	$167,202.00
Balance of 1920 Federal Income Tax	197.58
Balance Carried Forward, 31st December, 1922	10,955.56
	$178,355.14

The Surplus Account and Special Reserve, as will be seen from the Balance Sheet, now amount to $154,271.56.

All Merchandise was conservatively inventoried in line with our usual practice. In no case were goods priced at more than cost or replacement values.

Quarterly dividends, at the rate of seven per cent. per annum, have been paid regularly on the Company's Preference Shares.

Your Company has no bonded or mortgage indebtedness other than the unmatured mortgage of $85,425.00 carried on the Vancouver property at the time it was taken over from Leeson, Dickie, Gross & Co., Ltd.

Sales and net profits in 1922 were unfavorably affected by the restricted purchasing power of the agricultural community of Western Canada.

Submitted on behalf of the directors.

W. P. RILEY,
President.

Winnipeg, Manitoba, May 1st, 1923.

Balance Sheet WESTERN GROCERS LIMITED

As at December 31, 1922

ASSETS	As at 31st December 1922	1921		Incr Decre
Warehouse Properties—				
Winnipeg and branches at appraisal company's valuations as of Dec. 1912, and additions to date less depreciation	$ 911,692.13	$ 911,692.13		
Plant and Equipment—				
Including automobiles, motor trucks, office and warehouse equipment (less depreciation)	76,237.60	77,307.99		1,070.39
Investments—				
Outside real estate and buildings	50,075.00	50,075.00		
Stockholdings in other companies	45,082.97	35,076.80		10,006.17
Sundry	13,504.83	12,480.00		1,024.83
	$1,096,592.53	$1,086,631.92	$	9,960.61
Current and Working Assets—				
Merchandise	$1,643,365.92	$1,670,525.76	$	27,159.84
Accounts receivable (customers)	1,758,480.29	1,835,171.48		76,691.19
Sundry debtors (including advances on merchandise)	80,722.60	68,567.87		12,154.73
Cash on hand and in banks	156,295.20	174,185.30		17,890.10
	$3,638,864.01	$3,748,450.41	$	109,586.40
Other Assets—				
Prepaid insurance, interest and stationery on hand	34,882.08	26,506.30		8,375.78
Goodwill and trade marks	3,111,722.26	3,111,722.26		....
Grand total Assets	$7,882,060.88	$7,973,310.89	$	91,250.01
LIABILITIES				
Bank Loans—				
Secured	$1,798,000.00	$1,902,000.00	$	104,000.00
Trade Liabilities—				
Acceptances and accounts payable to trade creditors	413,963.82	374,119.53		39,844.29
Unpaid dividends	41,800.50	41,800.50		....
	$2,253,764.32	$2,317,920.03	$	64,155.71
Mortgage—				
Mortgage payable with interest accrued to date	85,425.00	85,425.00		....
Special Reserve—				
As provided for in Bylaw No. 10	143,316.00	143,316.00		....
Surplus—				
Profit and loss credit	10,955.56	38,049.86		27,094.30
Capital Stock—				
Preference	2,388,600.00	2,388,600.00		....
Common	3,000,000.00	3,000,000.00		....
Grand total liabilities	$7,882,060.88	$7,973,310.89	$	91,250.01
Contingent Liability under Bank guarantee	36,500.00			

The figures in **boldface** indicate increase.

To the Shareholders,
Western Grocers, Limited.

We have audited the accompanying Balance Sheet as at December 31, 1922, with the books and accounts of the Company. We have obtained all the information and explanations we have required. Subject to provision being made for Income Tax for the year ended, the Balance Sheet, in our opinion, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31, 1922, according to the best of our information and the explanations given to us, and as shown by the books.

Signed MARWICK, MITCHELL & CO.,
Winnipeg, Man., February 1st, 1923. Chartered Accountants.

HEAD OFFICE: WINNIPEG, MANITOBA.

BRANCHES:

Brandon and The Pas in Manitoba.
Moose Jaw, Saskatoon, Regina, Yorkton and North Battleford in Saskatchewan.
Lethbridge and Edmonton in Alberta.
Cranbrook, Nelson and Vancouver in British Columbia. Port Arthur in Ontario.

DIRECTORS:

W. P. Riley, President. Winnipeg.
W. H. McWilliams. Winnipeg.
H. W. Hutchinson, Winnipeg.
Andrew Kelly, Winnipeg.
E. E. Hall, Winnipeg.

BANKERS: The Dominion Bank; The Royal Bank of Canada.

APARTMENT HOUSE TENANTS WILL BE ITS SHAREHOLDERS

Tenant-Ownership Plan Adopted in Big Montreal Structure

COST $1,000,000

Tenants Purchase Stock Representing Equity in Apartment That They Will Occupy

From Our Own Correspondent.

MONTREAL. — Plans for the construction of a $1,000,000 ten storey apartment building, Montreal, indicate the spread of the tenant-ownership plan to Canada. This plan of building and owning apartments under which tenants co-operatively own the apartment house in which they reside has had quite a vogue in the United States, where many large and expensive apartment buildings have been constructed and financed in this manner.

The building, which is being erected by a company known as 685 Sherbrooke Street, West, Inc., will cost approximately $1,011,000, including, it is presumed, the raising of the capital and the profit to the builders. Of this amount $404,000 will be raised on a first mortgage and the remainder will be represented by $607,000 of capital stock which will be sold to tenants, the amount to be sold to any one person representing the amount of the equity in the apartment he will occupy. Annual rental will be charged to each tenant sufficient to pay interest, insurance, taxes, and all operating and management expenses of the apartment.

Cost of Apartment

There will be twenty-two apartments in all, the lowest representing a stock equity of $21,600, and an annual maintenance charge of $2,600, and the most expensive costing the purchaser $30,600, with an annual maintenance charge of $3,815.

The building is being erected by the Joint-Ownership Construction Company of New York which has built a number of such apartments during the past eighteen years, and the local end is being looked after by the real estate firm of Walter Molson and Company.

When he purchases stock the tenant-owner, under this plan, purchases an equity in the entire apartment equal to the amount of his investment. He does not purchase an individual apartment. He is given, however, a lease for ninety-five years which gives virtual ownership. The stock is transferable to other parties and apartments may be sub-let to parties approved by the board of three directors, chosen by the stockholders or tenants.

Combining Two Plans

The plan has been devised to make it possible for individuals to have the advantages of living in apartment houses and still have the control over their housing costs that comes from owning a home. The only rent paid by the tenants is a sum sufficient to cover maintenance and interest charges. They are losing interest on their money, of course, and an allowance for this added to the maintenance charge is the amount of rent they pay. The difference, if any, between this total and the amount they would pay for an ordinary apartment may be considered as additional yield upon the investment, or as a saving in rent.

The construction company is reimbursed by a fee of 10 per cent. on the construction costs.

PAINT COMPANIES EXPECT GOOD YEAR

Sherwin-Williams Orders are Encouraging, States President W. S. Fallis

From Our Own Correspondent.

MONTREAL.—The paint companies are expecting a good year in 1923. W. S. Fallis, vice-president and general manager of Sherwin-Williams states that "prospects for spring and summer business are very encouraging. Although the season has been very late, bookings do not seem to have been affected adversely and the volume of orders now passing through our various offices and warehouses is an encouraging factor. The demand at present seems to be heaviest in Ontario and Quebec, but conditions in the Maritime provinces are satisfactory. The good crop of last year in the West has wonderfully improved the situation there, so that this year there is an increased demand on the Prairies and Pacific coast, and with another good crop, which we all hope for, there will undoubtedly be still further improvement."

Camagney Electric Profits Little Changed

From Our Own Correspondent.

MONTREAL. — Final figures are now available of earnings of Camagney Electric Company for 1922. Gross earnings were $705,552 as against $708,584 in 1921. After operating and maintenance expenses, net earnings were $352,200 as against $379,998 in the previous year. The sum applicable to bond interest is $97,500.

An issue of $1,500,000 of 6½ per cent. first mortgage bonds due 1952, first privately offered last fall, will shortly be publicly offered at par to yield 6½ per cent. The company operates in Camagney, Cuba, and is under Canadian control.

"Penman's" and "Textile" at High Levels, Discount Future

These Two Textile Securities Worthy of the Interest of Every Investor—Is "Split-Up" Coming in Dominion Textile? —Have Earned Greatly in Excess of Dividends Paid in the Past

From Our Own Correspondent.

MONTREAL.—Here are two stocks that have shown rather startling increases in their market values during the past year. Penman's, which sold at 99 in 1922, is now at 159 and recently touched the highest point in its history. The stock is paying 8 per cent. this year, including a bonus of two per cent. paid in February and taking this as the dividend return the yield to the investor at 159 is about 6.30 per cent., not a very high yield for a common stock. Dominion Textile during 1922 sold as low as 133. To-day's market prices are about 68 and allowing for the "three to one split" early in the year, this is the equivalent of 215 for the old stock. Dominion Textile's dividend rate is 12 per cent. for the old stock, $4 a share on the new and the yield is 5.90 per cent., which is very low.

Yield Not Only Return

It is obvious, therefore, that the investor who buys either Dominion Textile or Penman's is looking for something beyond the present income return. There is justification for believing that these additional attractions are in the offing for both securities.

Penman's may follow the example of Dominion Textile and divide its stock into smaller units. There are disadvantages in having a stock selling at too high a price. Penman's at 157 has a somewhat restricted market that would be broadened if, for instance, a new company were formed that gave each shareholder two or three shares of stock perhaps of no par value for each $100 share he now holds. The number of shares available for trading would be increased and an increase in the dividend might be more likely. Now this scheme of dividing up Penman's stock has not been decided upon; but it is just what was done in the case of Dominion Textile and it is what many investors are looking for, and it is because so many investors look for something of this kind that the stock has advanced to its present point.

Industry is Prosperous

In the case of Dominion Textile the high price of the stock is based upon the prosperity prevailing in the textile industry which insures that the company's earnings will again be very satisfactory. For many years Textile has earned a substantial margin over its dividend requirements. Dividends have been increased from time to time with regularity and now $4 per share is being paid on the new stock, equivalent to 12 per cent. on the older shares. The present price of the stock discounts an early increase in the dividend, perhaps to $5 a share, which would mean that at 68 the stock would yield over about 7.30 per cent.

Penman's is in the business of manufacturing knit goods, chiefly woollens. It has had a somewhat remarkable earnings record. During the five years ending 1920 it earned over and above the dividends paid, the full value of the common stock. This went back into the business. Since 1920 earnings have not been so great, but increased in 1922 over the previous year. The working capital position is excellent and the company has liquid investments greater than the amount of its bonds outstanding.

Textile's Earning Record

Dominion Textile has almost as excellent an record, earning during the past five years a total of 116 per cent., out of which dividends, totalling only 45 per cent. were paid. This meant that 71 per cent. went back into the business. There has been a steady sure growth to Textile's earnings.

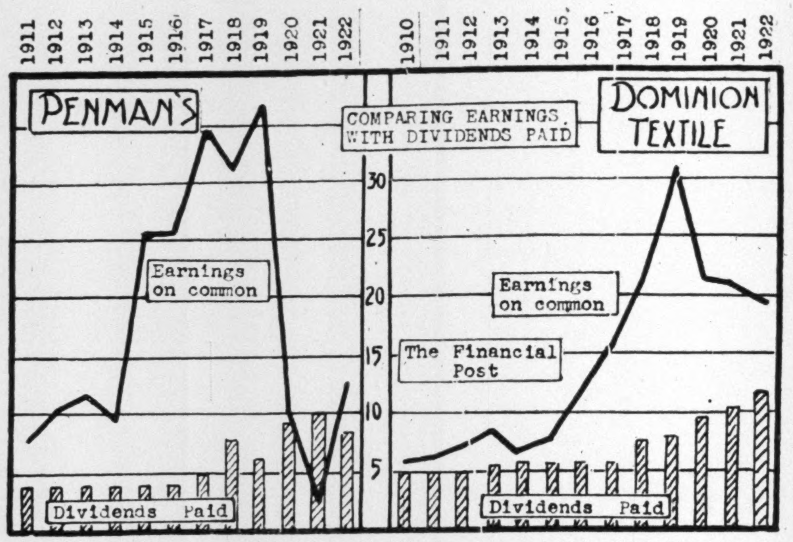
When two stocks are selling at the highest levels in their history and have discounted, marketwise, the possible developments, is that the time for the investor to purchase them? A lot depends upon the general business and investment outlook. Be it said though that both Penman's and Dominion Textile are common stocks that offer a wealth of real assets that have demonstrated an ability to earn a substantial margin above dividends paid. They are both capably managed, the president of each company being the same able executive, Sir Charles Gordon. They are operating in a field that has not been over done and that is practically controlled by Canadian mills with little competition from foreign firms, to some extent due to the tariff. Therefore granting the solidity of the stocks themselves the question of purchase price remains the problem. The investor would be justified in waiting a while for some further general decline in the stock markets—such as a summer lull—before buying either Penman's or Textile. But given this condition, marketwise both securities demand investment attention.

Outlaw Strikes Cost Three and Half Millions

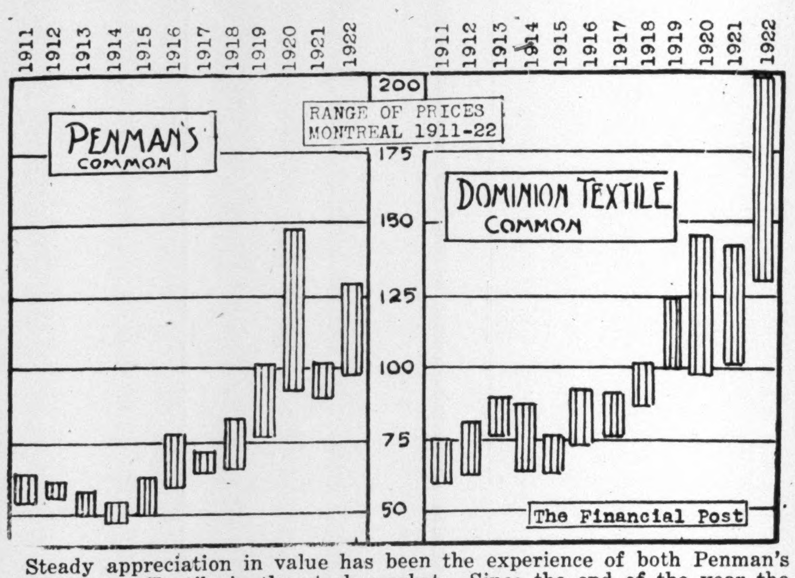
During the six and a half months from September 11, 1923, when work was resumed in the anthracite mines, to March 31, 1923, a period during which the public was in dire need of coal, outlaw strikes of anthracite mine workers involved 52,674 men, with a loss of 540,000 tons of coal valued at $3,500,000. In 1920 and 1921 the lost production due to outlaw strikes was over $28,000,000. This information is given in the third of a series of briefs filed with the U. S. Coal Commission by the anthracite operators.

WESTERN LUMBER

Sales of lumber in February, reported by the Canadian Western Lumber Company, which includes the Columbia River Lumber Company, amounted to 7,028,538 feet for which $196,290 was realized. This compares with sales for the same month in 1922, amounting to 6,417,440 feet, realizing $151,440. Sales for the first two months of the year aggregated 16,643,059 feet upon which $448,553 was realized, while for the same period in the previous year the aggregate sales amounted to 12,390,032 feet realizing $287,900.



Both Penman's and Dominion Textile have earned during the past few years a large margin over dividends paid and these earnings have gone to strengthen the liquid position of the companies. Earnings increased greatly during the war period and afterwards and in each case are showing improvement over the harder years that have recently been experienced. The chart shows the rate per cent. earned on the outstanding stock and also the dividends paid. The black line shows the rate earned on common and the vertical shaded columns the dividends paid.



Steady appreciation in value has been the experience of both Penman's and Dominion Textile in the stock market. Since the end of the year the securities have in each case reached new high levels, about 165 in the case of Penman's and 71 in the case of Textile equal to 213 on the old stock.

Final Winding-Up of Ames-Holden, McCready

From Our Own Correspondent.

MONTREAL. — The provincial liquidator for Ames-Holden, McCready, Ltd., has called a meeting of creditors and shareholders of the company for the 15th of May. At this meeting a final liquidator will be appointed. He will receive and distribute among the holders of the preferred shares of the old company the common stock of the new company in the proportion agreed upon under the plan of re-organization. This plan was approved at a special general meeting of the shareholders of the old company on September last when all of its assets were sold to a new company of the same name. The old company is now being finally wound up.

Company Incorporated for Back River Power

From Our Own Correspondent.

MONTREAL.— Incorporation has been granted to the Montreal Island Power Co. with an authorized capital of $1,375,000. This is the company that plans to erect a dam and power house on the Back River, on the Island of Montreal, for the production of approximately 45,000 h.p.

It is understood that the engineering plans for development are practically completed and that financial arrangements are being reached providing for an early issue of bonds to finance the construction. One of the leading bond houses has interested itself in the providing of the capital for the work.

THE NATIONS OIL REFINERIES LIMITED
Formerly Red Star Refineries, Limited
Refinery under construction at Montreal East, P.Q.
HEAD OFFICE — CANADA CEMENT BUILDING — MONTREAL

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID UP CAPITAL AND RESERVE - - $1,240,000
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE, WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY. VANCOUVER AND VICTORIA.

How a Toronto Doctor on an Investment of $25,000 Stands to Make a Million

If you knew positively that gold existed all over a wide area—that diamond drilling and other work proved the existence of this gold, what would you do?

Wouldn't you just put every possible cent you could get together to develop that gold?

Wouldn't you do as one Toronto doctor did who was convinced that Lake Shore would become a valuable mine?

To secure all the stock he could lay his hands on, he borrowed until he couldn't borrow another cent.

He sold everything which wasn't required for his daily needs until he eventually had about $25,000 invested in Lake Shore.

That was seven years ago—to-day his holdings, exclusive of dividends, are worth approximately $350,000, and within the next three to five years should be worth a million.

Extend your vision a few years hence as the Toronto doctor did, and see the gold on the property referred to above being produced and returning you in dividends alone many times what the shares cost.

When some of the best known mines were first discovered no one had any idea, or any means of knowing, what they contained.

Conditions since then have changed. Owing to the knowledge gained through the development of other mines it is possible now by means of diamond drilling to know where gold exists on a property and to a certain extent approximately in what quantities.

Over $500,000 has been spent in developing the property of the Matachewan Canadian Gold, Limited.

The work done on this property, totalling 19,000 feet, has disclosed the existence of gold in quantities which justify the opinion the Matachewan Canadian will develop into one of the great mines of the continent.

Can we verify this statement by actual evidence?

Yes, to your entire satisfaction.

We don't care how skeptical you may be, we can show you the proof, and convince you that the gold is there. In addition to a great amount of other work seventy diamond drill holes have been put down on this property—not in one particular section, mind you, but all along the mineral zone for more than a quarter of a mile.

In only one or two cases has commercial gold not been encountered.

The "logs" of some drillings show commercial ore bodies 25 to 30 feet in width, and anyone is privileged to examine these "logs" in our office.

From what evidence we have we are firmly convinced that the Matachewan Canadian Mines, Limited, should develop into the class of such mines as Hollinger, Dome and McIntyre.

The Matachewan Gold Area was discovered in 1916 by the late Sam Otisse, one of the best known prospectors in Canada.

It is situated in the Temiskaming District, and is reached by the Temiskaming and Ontario Railway.

As you will see by referring to the prospectus, the Company has one of the strongest boards of directors ever associated with any mining enterprise.

The purpose of the present offering of 600,000 shares of stock at $1.00 is to further develop and mine the ore that is known to exist and to build a 300 ton mill as is proposed by the managing director.

You should write for prospectus and other information regarding this unusual offering.

Kindly fill in the attached form for further particulars.

F. C. SUTHERLAND & COMPANY
LIMITED
INVESTMENT BROKERS
4-5 KING EDWARD HOTEL BUILDING TORONTO, ONT.

Date........................, 1923

F. C. SUTHERLAND & COMPANY,
Limited,
4-5 King Edward Hotel Bldg., Toronto, Ont.

Without obligation on my part, please mail me full particulars of the Matachewan Canadian Gold, Limited, to the following address:

NAME ....

ADDRESS ....

MONEY, BANKING AND EXCHANGE

ECONOMIST SAYS TOO MUCH BLAME PLACED ON BANKS

Prof. Swanson Would be Very Careful About Making Changes

From the standpoint of bringing theoretical opinion to bear on the practical task of revising the Bank Act, Prof. Swanson, of the University of Saskatchewan, made one of the most valuable contributions to the testimony given before the Banking and Commerce Committee. Located in possibly the most purely grain-growing community for its size on this continent, in a province that produced over 60 per cent. of all the wheat grown in Canada last year, and to which agriculture is everything, he knows the farmer's side of the banking situation and he declared that the banks are blamed for many things for which they are not responsible. He pointed out that the question was, what could the banks do? Another question was, what lay behind their power? He thought that they had a national duty to perform, but it was useless to convey the impression that the Western situation could be entirely cured by money.

After saying that the impression prevailed among the farmers that the banks directed the flow of working capital, and that agriculture did not receive sufficient consideration, Prof. Swanson added that in this respect the bankers in the United States had greater power than they had in Canada, and he pointed out that if the Federal Reserve system, as it exists in the United States, were introduced into Canada, it would be directed by a board having immense power to direct capital; that is to help some industries and possibly destroy others.

He declared that it was absurd to blame the banks for the fall in prices, for they had collapsed all over the world. It was part of the process of readjustment. The federal land bank system in the United States had been of much help to the farmers, for it had equalized interest rates all over the Union.

Make Changes Carefully

With respect to the introduction of the Federal Reserve system into Canada, the professor thought that it should be very carefully studied before this was done. The American system had an element of danger in the great power to expand or contract credit that existed in the board, and if this were not wisely exercised it might produce untold harm. The protest from the Middle West over the rapid deflation had resulted practically in the firing of Governor Harding of the Federal Reserve Board. It was also to be borne in mind that the lack of adequate rediscount privileges that was the immediate cause of the introduction of the Federal Reserve system across the line did not exist in Canada. The seventeen banks could easily take care of all the short-term credit requirements of this country.

Government Should Keep Out

Credit, in the opinion of Prof. Swanson, was a private, not a government matter, and the government should not go into the banking business. The Bank of Montreal had looked after the government's requirements for many years, and if the latter was not satisfied with the service it could change its agents at any time. The government should not go into the banking business until it had been shown that the existing banks had failed to satisfy the requirements of business.

The requirements of the farmers in the matter of long-term credits would have to be worked out through a supplementary system. The Saskatchewan government, through its system of farm loans, had made a courageous effort to meet a demand, but it had not the resources necessary.

TWO BOND LOSSES REPORTED

Two heavy losses of bonds have been reported in Toronto recently. Dominion of Canada Victory Loan bearer bonds due 1933, valued at $100.000, were stolen from or lost by the St. Paul Fire & Marine Insurance Company. A large block of bonds disappeared from a mail bag being transported by the postal department.

Five Branches Opened; Twenty-Two Are Closed

Returns from the various Canadian chartered banks show that during the month of April there were only five new branches opened, while for the same period twenty-two branches were closed. Following is a list of the branches opened and closed during the month:

OPENED

Dominion—Yonge Street Terminal, Toronto.

Nationale—Isle Verte, Que., Montreal.

Provinciale—St. Leonard, N. B.

Toronto—Peel St., Montreal.

CLOSED

Commerce—Gibbons, Alta.

Dominion—Walkerville, Ont.

Hochelaga—St. Redempteur, Que. (sub agency.)

Imperial—Krydor. Sask; Foam Lake, Sask.; Tottenham, Ont.

Montreal—Summerberry. Sask.; Willmar, Sask.; Woodlands. Man.; Sinclair, Man. (sub agency); Abbottsford, B.C.; Langley Prairie, B.C.

Nova Scotia—Millville. N.B.; Maisonneuve, Montreal; New Edinburgh, Ottawa.

Royal—Seeley's Bay, Ont.; Merrickville, Ont.; Breadalbane, P.E.I. (sub agency); North Wiltshire, P.E.I. (sub agency); Rustico, P.E.I. (sub agency).

Toronto—Sturgis, Sask.

Union—London, England, West End Branch.

MANY CRITICISMS AND FEW SUGGESTIONS

Canada is a country of free speech, and anybody who likes is at perfect liberty to attack our banking system. Anyone following closely the present inquiry into that system cannot fail to be struck with the lack of real constructive criticism of it. We may suppose that it is not perfect, but so far it is hard to see where an improvement can be made. If someone suggests one, then let us embrace it forthwith and get a better system.—H. M.

BANKERS BLAMED FOR DIFFICULTIES

President American Bankers' Association Speaks for Co-operation

John H. Puelicher, president of the American Bankers' Association, speaking before executive council of that association at the Westchester-Biltmore Country Club, said three outstanding things that should presently and seriously occupy the mind of the American banker are, reasonable co-operation in stabilization of affairs of Europe, intelligent co-operation with farmer toward solution of his problems, and a most generous giving of his time and energy in solution of problems of our economic existence.

Mr. Puelicher took occasion to flay critics of Federal Reserve System.

"Every economic difficulty from which the country suffers is blamed upon our present banking system. The farmer who has speculated wildly, and, therefore, is in financial difficulties, the business house undeserving of credit whose bank does not care to furnish it with more capital, and others similarly situated, all of them believe, or pretend to believe, that had it not been for the Federal Reserve system their fool's paradise, which lasted for some time after the war, would have continued forever. I regret to say some of this feeling is due to bankers themselves. They have exaggerated some minor faults of the system until they made the whole appear vicious, and they have objected to the system because they objected to certain individual officials of the system. Worse than that, bankers at times unwilling to render customers certain services have found it easier to ascribe their inability to do as requested to some feature of the system rather than to assume responsibility for their action."

Guard Your Checks

1. Never write a check with pencil. Pencil written checks are objectionable because they are so easy for the criminal to raise or alter.
2. Never write a check on the ordinary typewriter. It is much better to use ordinary pen or ink. Or still better, use a check writing machine.
3. In writing checks fill in all of the blank spaces. Never leave any room for the addition of figures which will raise the amount of the check.
4. Never permit any check to go out with an erasure mark on it. Checks should be carefully and cleanly written.
5. In writing a check, never write over any letter or figure. Destroy all marred checks.
6. Never give a blank check to a stranger.
7. Never cash a check for a stranger.
8. Never make out checks to "cash" or "bearer." Use the name of the person who will go to the bank for the cash.
9. Never merely endorse checks you intend to deposit. By writing, "For deposit only," over your signature, you make it impossible for a criminal to cash it without alteration.
10. Never sign blank checks. If necessary to be out of town, open a separate account, subject to check of your employee. (This means more work for the bank but has proved well worth while).
11. Never leave cancelled checks in an unlocked drawer or on top of your safe. Many forgeries have been the result of the ease with which criminally inclined have been able to obtain cancelled checks.
12. Keep your blank checks and your check books locked up. Be careful how and where you sign your banking signature.
13. Scrutinize all "certified" checks carefully. There have been hundreds of cases where certified checks have been forged by the use of a rubber stamp which the crook had had made and which he imprinted upon the check.
14. Watch checks which seem to have the maker's O. K. endorsement under signature of payee upon back. Criminals find it easy to forge this and thus get quick payment from cashier or merchant.

The power shortage in Porcupine caused Dome's April production to shrink, the figures being $160.111 compared with $259,866 in March and $366,415 in February.

Exchange

New York Funds

May 3—Funds opened at 1 31-32%, touched a high of 2, and closed again at 1 31-32.

May 4—Opening at 2, funds touched a high of 2 1-64, and closed at 2.

May 5—Funds remained unchanged at 2% in the day's trading.

May 7—Funds opened at 1 31-32, rose to a high of 2 1-64, and closed at 2.

May 8—Funds opened at 2 1-64, and closed at 2, unchanged.

May 9—Opening at 1 31-32, funds touched a high of 2, and closed again at 1 31-32.

Sterling, Francs and Lire

	Demand Sterling	Demand Francs	Demand Lire
May 3	4.62¾	6.65½	4.88½
May 4	4.62½	6.66	4.87
May 5	4.62½	6.66	4.87
May 7	4.61¾	6.61	4.85½
May 8	4.61½	6.63	4.84
May 9	4.60¼	6.59	4.79

FOREIGN BANKS GET NEW POWERS NEW YORK STATE

On Reciprocal Basis—Canadian Banks Little Interested

From Our Own Correspondent.

NEW YORK.—The State Senate has passed an amendment to the New York banking laws making it possible for foreign banking institutions, located in cities with a population of one million or over to accept deposits, discount and negotiate promissory notes, and make loans on real and personal property. The right is also given foreign banks to act as trustees and executors under certain circumstances. The bill is "reciprocal" in nature, bankers are to be accorded the privileges granted American banks in their home countries.

According to the latest available information, the Governor is believed to be opposed to the bill and will likely veto it if it manages to run the gauntlet of the Assembly. It is regarded as a purely Republican measure and as such fit game for a Democratic Assembly and Governor.

The Canadian bank agencies located in this city are not unduly perturbed by this latest piece of legislation to come out of the State capital. As has on several occasions been pointed out by the FINANCIAL POST they are not particularly anxious to accept deposits or do a general banking business in the United States; they apparently regard the conditions under which they are at present operating to be more advantageous from their point of view, than would those under which they would have to conduct their business if they accepted the right to do a general banking business from the State of New York. In any case, they would not naturally be interested in the right to act as trustees or executor; Canadian banks have not this right in Canada, they would not likely want to exercise any such right in the United States.

Local Canadian bank men are very reticent regarding the provisions of this new bill, but so far as could be learned by the FINANCIAL POST, the situation behind the bill is broadly speaking this:

For some years back the international bankers with headquarters in New York, have encountered severe criticism in various European financial centers, notably London, on account of the restrictions placed on the operations of foreign banks in New York City, in the face of the freedom accorded the American bankers in Europe. Why, they were continually asked, should New York refuse to foreign bankers the privileges which the governments of these foreign banks' respective countries did not refuse to American banks? Criticism was particularly vociferous in Paris and Rome. For a time, recently, the Governments of both countries planned to adopt legislation aimed at restricting the field of operations of American banking corporations in France and Italy. Even conservative London is believed to have been considerably wrought up by what it regarded and still regards as the unfairness of the New York state banking laws.

Paris, Rome and London, are understood to have been induced to "call off the dogs of war" by promises coming from some of the most influential bankers in New York City, that the New York laws would be changed in their favor. The measure the State Senate has just passed was the product of these promises.

If Canadian banks, therefore, wished to enjoy the privileges accorded foreign banking institutions by this bill, it would be necessary for them to induce their own government to accord similar privileges to American banks in Canada. This provision undoubtedly accounts for a certain amount of the lack of interest Canadian bankers are showing toward the measure.

NEWFOUNDLAND IS NOW ASSURED OF $25,000,000 MILL

(Continued from Page 1)

capacity would be 250 h. p. of which only half will now be needed.

The whole development will involve an expenditure of $25,000,000. The Newfoundland government, according to the plans of Premier Sir Richard Squires will guarantee 20-year sinking fund bonds to the amount of $9,000,000, while the British government will guarantee an additional £2,000,000 of 25-year bonds. The scheme has received the approval of the Trade Facilities Advisory Committee of the British Government who have recommended it to the British government for guarantee to that amount, providing the Newfoundland government guarantees an equal amount and providing the machinery is bought in England. These arrangements, it is believed, will bar Canadian or American capital from participation in the plan. Canadian and American bond houses in the past have sold Newfoundland bonds and stand ready to sell more of them or bonds guaranteed by the Dominion of Newfoundland. But the Armstrong-Whitworth company has a financial house in connection with its engineering and industrial operations that, it is expected, will finance the new corporation which bears the name of the Newfoundland Power, Paper Company, Limited.

Work is Already Under Way

Operations on the plant have already begun and 700 men have been employed during the winter putting in a temporary dam and preparing a railway and canal site.

Eventually the board of directors will consist of three directors representing the Reid, Newfoundland Company; nine representing the Armstrong-Whitworth interests and two representing the British and Newfoundland governments.

Of importance to the Dominion of Newfoundland is the fact that the development will go far in solving the island's railway problem, although it has already been possible to reduce the deficit on the government operated lines to $110,000 for the last six months' period.

INDIA'S WHEAT CROP

Increased Production to Compete With Canada's Exports

From Our Own Correspondent.

OTTAWA.—According to a cablegram received to-day by the Dominion Bureau of Statistics from the Indian Director of Statistics at Calcutta, the first forecast of the production of wheat in India for the season 1922-23 is 425,563,000 bushels from 30,550,000 acres, as compared with 366,352,000 bushels from 28,234,000 acres in 1921-22 and with 344,587,000 bushels from 30,322,000 acres, the annual average for the five-year period, 1916-20. The wheat production of India for 1922-23, as now reported, is therefore the largest on record for India. It is 59,211,000 bushels, or 16 p.c. more than that of 1921-22, and 80,976,000 bushels, or 23 p.c. more than that of the five-year average. The area now reported, viz., 30,550,000 acres, is 8 p.c. above that of 1921-22 and 0.7 p.c. above that of the five-year average.

McLAUGHLIN-BUICK

CHANGING THE MOTORING HABITS OF A NATION

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NEWS AND VIEWS FOR MANAGERS

BRANCH BANKING ISSUE IS BEFORE SUPREME COURT

Big U.S. Institutions Declare it a Matter of Service

From Our Own Correspondent.

NEW YORK.— The branch banking question again sprang into the limelight this week with the opening of the suit before the United States Supreme Court of the First National Bank of St. Louis asking that the Banking Commissioner of the State of Missouri be restrained from closing branches the bank has opened in St. Louis. The suit is regarded among bankers as a test of the right of national banks to open branches without changing their status under the National Bank Act. Interest in the case is increased by the application of the Chemical National Bank and the National City Bank of this ctiy to be permitted to take part in the suit as "friends of the court." Both banks are very much interested in the point at issue, the Chemical National because during the week it announced its intention of opening twelve branches in the city of New York and the National City because it already has a number of branches in the city.

The National City Bank when it decided to open its present branch office in the National City Building on Forty-Second, close to the Grand Central Terminal, was compelled to buy out a state bank with branches and to "nationalize" the bank and its branches. This method of acquiring branches is tedious and very involved legally, quite apart from its slightly questionable character ethically. The Chemical National and the National City presumably wish to provide themselves with some other method of acquiring the branches they believe they need. Hence their desire to participate as "amicaouriae" in the case now pending in Washington.

While at the time of writing it does not appear likely that the two big New York banks will be granted the right to take part in the case, the brief they have jointly prepared for presentation to the Supreme Court, copies of which have been made available within the past two days, is being carefully studied by both opponents and supporters of the branch bank. Even if the standing of the two banks did not assure the belief that the best legal talent in the United States had been enlisted on the side of the branch bank, even a cursory glance at the brief itself makes it plain that it constitutes perhaps the best plea for the branch bank, of the particular kind demanded by the national banks of the city, that so far has been made public.

For Better Service

It is evident from the brief prepared by the National City and Chemical National Banks given below, the main reason the national banks give for desiring to have the right to establish branches, is that they believe branches enable them to serve their communities better. Thus in effect they endorse the view, so long held in Canada, that the individual bank cannot give the effective service to its particular business community that a system of branches can. This has been a view apparently held for many years in most of the states of the Union; now it is apparently the belief of some of the most powerful and influential national banks in the country.

It is reasonable, the brief argues, to ask the right for the national banks to establish branches in large cities, as it is to ask the same right for any large business house. Neighborhood banking service can only be given by means of branches. It is only by means of branches that the larger banks with head offices in the principal business districts can hope to serve effectively their large customers who demand city-wide service.

Further, according to the authors of the brief, the experience of many New York bankers has shown that the business districts of a large city shift frequently. A bank may have been established to serve a particular industry located in one part of the city only to find in the course of years that the business in which it is principally interested has moved elsewhere in the city and that its inability to establish branch offices has lost to it the principal part of its business.

Weekly Bank Clearings

(In comparison with same week last year.)

EASTERN CITIES

	May 3, 1923	Change	%
Toronto	$117,220,899	—$ 1,360,661	1.1
Montreal	115,433,373	—6,233,414	5.1
Ottawa	8,278,248	— 3,298,722	28.5
Quebec	7,422,103	+ 434,296	6.2
Hamilton	6,276,923	— 81,386	1.2
London	4,356,533	+ 850,259	24.2
Windsor	3,647,802	+ 326,592	9.8
Halifax	3,145,149	+ 185,228	6.2
St. John	2,481,520	— 423,419	14.8
Kitchener	1,068,187	— 13,098	1.2
Moncton	987,045	— 93,027	8.6
Brantford	972,888	— 29,473	2.9
Sherbrooke	969,229	— 28,929	2.9
Peterboro'	848,449	+ 68,865	8.8
Kingston	812,061	+ 60,814	8.1
Total East	$273,920,409	—$ 9,636,077	3.4

WESTERN CITIES

	May 3, 1923	Change	%
Winnipeg	$ 63,772,748	+$ 1,756,236	2.8
Vancouver	15,964,575	+ 2,509,767	18.6
Calgary	4,524,477	— 767,403	14.5
Edmonton	4,500,776	— 518,397	10.3
Regina	3,675,604	+ 174,553	4.9
Victoria	2,164,244	+ 280,373	14.8
Saskatoon	1,517,913	— 261,905	14.7
Moose Jaw	1,232,363	— 213,569	14.7
Ft. William	739,909	— 142,060	16.1
N. Westminster	685,456	— 43,130	5.9
Brandon	605,569	— 53,749	8.1
Lethbridge	570,136	— 186,845	24.6
Pr. Albert	392,442	+ 4,473	1.1
Medicine Hat	289,070	— 12,518	4.1
Total West	$100,635,282	+$ 2,525,826	2.5
Grand total	$374,556,691	—$ 7,110,251	1.9
Year to date	$5,194,615,884	—$171,613,680	3.2

BANK BIDS WELCOME TO ALL NEW BABIES

From Our Own Correspondent.

MONTREAL.—La Banque d'Hochelaga, which has been so successful with its Christmas Club, has adopted a novel idea for fostering good will among its neighborhood clients and incidentally getting business for the savings department.

Whenever a new baby arrives in the district where one of the bank's branches is located, a neat little folder is sent to the father and parents. It reads, "Congratulations to you, father and mother," and gets into this serious message:

"You no doubt already are thinking of your Baby's future. May we suggest a regular weekly 'Savings' deposit, made in Baby's name?

"If you do so regularly, each week for

TWENTY YEARS

10c. at 3% gives	$	128.95
25c. at 3% gives		323.33
$1.00 at 3% gives		1,409.00"

A record is kept of the babies and on each birthday a card is sent to the parents. The plan is yet in the experimental stage, but initial results are satisfactory.

Additional Important Changes in Bank Act Are Now Prepared

Full Details of Changes in Various Sections Are Given in Granting Ten Year Extension of Charters of Dominion's Banks

The following additional amendments to the Bank Act have been given notice of by Mr. Fielding:

That Section 5 of Bill No. 83 be amended by striking out the first subsection thereof and substituting therefor the following:

Each of the several banks under the name mentioned in Schedule A to this Act is, and shall continue to be, a body politic and corporate until the first day of July, one thousand nine hundred and thirty-three, and this Act shall form and be the charter of each of the said banks until the first day of July aforesaid. The chief office of each bank, and subject to the provisions of this Act with regard to increase or decrease, the amount of its authorized capital stock, divided into shares of one hundred dollars each, shall be as set out in the schedule.

2. That Schedule "A" of Bill No. 83 be struck out and the following substituted therefor:

Schedule A.

Name of Bank—	Capital Authorized	Chief Office of Bank
Bank of Montreal	$31,175,000	Montreal
Bank of N. Scotia	15,000,000	Halifax
Bank of Toronto	10,000,000	Toronto
Molson's Bank	5,000,000	Montreal
Banque Nationale	5,000,000	Quebec
Banque Provinciale du Canada	5,000,000	Montreal
Union Bank of Canada	15,000,000	Winnipeg
Canadian Bank of Commerce	25,000,000	Toronto
Royal Bank of Canada	25,000,000	Montreal
Dominion Bank	10,000,000	Toronto
Bank of Hamilton	7,000,000	Hamilton
Standard Bank of Canada	5,000,000	Toronto
Banque d'Hochelaga	10,000,000	Montreal
Imperial Bank of Canada	10,000,000	Toronto
Home Bank of Canada	5,000,000	Toronto
Sterling Bank of Canada	3,000,000	Toronto
Weyburn Security Bank	1,000,000	Weyburn

3. That Section 30 be struck out and the following substituted therefor:

1. The directors may appoint as many officers, clerks and servants as they may consider necessary for the carrying on of the business of the bank, and may authorize any officer of the bank to make such of these appointments as they may deem expedient.

2. Such officers, clerks and servants may be paid such salaries and allowances as the directors or such officer, in the case of appointments made by him, consider necessary.

3. The directors before permitting any general manager, manager or other officer, clerk or servant of the bank to enter upon the duties of his office, and any officer, authorized as aforesaid, before permiting any officer, clerk or servant of the bank appointed by him to enter upon the duties of his office, shall require him to give a bond, guarantee or other security to the satisfaction of the directors or such officer as the case may be, for the due and faithful performance of his duties.

4. That Section 54 be amended as follows:

(A 1) By striking out paragraphs (m) and (n) under the heading "Liabilities" in subsection 2.

(2 B) By striking out paragraph (k) under the heading "Assets" in subsection 2 and substituting the following:

(k) Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover.

(3) By striking out paragraph (l) under the heading "Assets" in subsection 2 and substituting the following:

(l) Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover.

(4) By striking out paragraph (m) under the heading "Assets" in subsection 2 and substituting the following:

(m) Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts.

(5) By striking out paragraph (n) under the heading "Assets" in subsection 2 and substituting the following:

(n) Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts.

(6) By striking out paragraph (q) under the heading "Assets" in subsection 2 and substituting therefor the following:

(q) Non-current Loans, estimated loss provided for

(7) By striking out the word "and," the first word in line two on page 23, and substituting therefor the number "3" as a subsection number and by changing the subsection numbers 3, 4 and 5 to 5, 6 and 7.

(8) By adding a new subsection 4 as follows:

(4) Whenever a bank carries on any part of its operations in the name of a corporation controlled by such a bank, then there shall accompany the statement a further statement or statements showing the assets and liabilities of each such corporation and the value placed upon the bank's interest in the corporation and the shareholders and the auditors of the bank shall, for any purposes within the purview of this Act, be deemed the shareholders and auditors of such controlled corporation.

5. That Section 56 be amended as follows by striking out subsection 1 and substituting:

(I) The affairs of the bank shall be audited by two persons, residing in Canada, each one of whom shall be a public accountant who has for at least six years preceding the date of his appointment as hereinafter provided, practised his profession in Canada, and who shall also be a member in good standing of an institute or association of accountants incorporated under the authority of the Legislature of any Province of Canada.

(2) By striking out subsection 2 and substituting therefor the following:

(2) A list or lists shall be furnished to the Minister and also to the Association by any such institute or association of accountants on or before the 31st day of July, 1923, and thereafter on or before the 30th day of June in each year, of all members of their corporation in good standing whose names are entitled to be included therein as determined by the provisions of the last preceding subsection, together with their addresses and the names and firms, if any, of which they are members, and such list or lists shall be certified under their corporate seals respectively.

(3) By striking out subsection 3 and substituting the following:

(3) The association shall, not later than the 31st day of August next following, deliver or send to the Minister by registered post the names of the persons, if any, in-

(Continued on Page 15)

FOR BRANCH BANKING

Desire to Give Better Service Behind Movement

From Our Own Correspondent.

NEW YORK.—Gates W. McGarrah, chairman of the Board of the Mechanics and Metals National Bank, in a speech delivered at a testimonial dinner given him by the local members of the American Institute of Bankers, came out in favor of the branch bank. Mr. McGarrah said that most of the recent banking mergers in this city had been brought about by a desire on the part of the merging banks to serve their customers better by means of branches.

Net profits of the Guardian Realty Co. owners and operators of the Royal Bank Bldg. King and Yonge Sts., Toronto, were $138,003 compared to $94,189 in 1921, according to the annual report for 1922.

PRAIRIE PROVINCES LEASE MINING LAND

Nominal Charge is Made for 21 Years' Mining Rights

The mineral lands, known as Natural Resources, are still in the hands of the Dominion Government insofar as the prairies are concerned. The result is that it is only a nominal control that the provinces have. Saskatchewan laws are typical, insofar as they go.

They are:

Coal

Coal mining rights may be leased for a period of twenty-one years, renewable at an annual rental of one dollar an acre. Not more than 2,560 acres shall be leased to one applicant. A royalty at the rate of five cents per ton shall be collected on the merchantable coal mined.

Petroleum and Natural Gas

The petroleum and natural gas rights may be leased to applicants at a rental of twenty-five cents per acre, for the first year, and for each subsequent year a rental at the rate of fifty cents an acre, payable yearly in advance. The term of lease shall be twenty-one years, renewable for a further term of twenty-one years.

A fee of five dollars and the rental for the first year shall accompany each application for a lease. This fee and rental will be refunded if the rights applied for are not available but not otherwise.

Mineral Salts and Associated Marls

The rights to naturally occurring "alkali" accumulations may be leased at an annual rental of twenty-five cents an acre, payable yearly in advance. The term of the lease is twenty years and is subject to renewal for subsequent periods of twenty years. The maximum area of an alkali mining location is 1,920 acres and no lessee is permitted to acquire a greater area except by assignment. The maximum area a lessee may hold at any time shall not exceed nine (9) square miles, nor be less than 40 acres in area. A royalty of twelve and one-half (12½) cents per ton of 2,000 pounds is payable by the lessee, on the shipping weight of all products, raw or refined, from the property leased.

Quartz Mining

Any person having discovered mineral in place may locate a claim 1,500 feet by 1,500 feet. The lease shall be for a period of twenty-one years, and may be renewed for successive periods of twenty-one years duration. The rental of a whole or fractional mineral claim under a lease is fifty dollars ($50) and no further rental shall become due or payable in connection with such a claim until the termination of the above period of twenty-one years. For a renewal of the lease a fee of $200 will be charged to cover a further period of twenty-one years.

Royalties are payable on all mineral products as fixed from time to time by order of the governor in council. At least one hundred dollars must be expended on the claim each year or paid to the mining recorder in lieu thereof. When five hundred dollars has been expended or paid, the location may, upon having a survey made, and upon complying with other requirements, lease the land, and permission may be granted to group any number of adjoining claims up to eight in number for representation work, upon the taking out a certificate of partnership before the commencement of the work. If any person satisfies the recorder that he is about to undertake a bona fide prospecting trip and files a power of attorney from any number of persons not exceeding two authorizing him to stake claims for them in consideration of their having enabled him to undertake the trip, he may stake one claim in the name of each such person upon any lode or vein which he may discover.

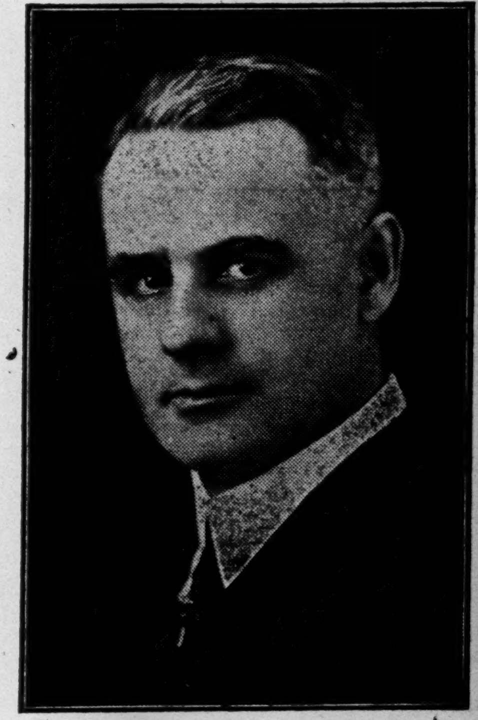
Dominion lands containing limestone, granite, slate, marble, gypsum, marl, gravel, sand, clay or any building stone may be leased by the minister at an annual rental of one dollar per acre, payable yearly in advance, for the purpose of quarrying out and removing therefrom stone or other material mentioned herein. The term of the lease shall be twenty-one years, renewable for a further period of twenty-one years.

Is Canada to Become an Archipelago?

Are We Provincially Insular?

What Do We Know of the Problems, the Trials of Our Sister Provinces?

As a Nation, we stood shoulder-to-shoulder in the heroic sacrifice of a hideous struggle, against a common foe. Shall we, in the less strenuous days of peace, forget and forego the spirit of a comradeship so hardly won?



JOHN NELSON
The Author of This Fine Series

"The Problems of Our Provinces"
By JOHN NELSON

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There are no Strings on John Nelson

He will discuss politics, religion, immigration, production, education and other vital problems, in fresh and vigorous style, with an absolutely free hand. During the course of his investigations Mr. Nelson will interview every provincial premier and Mackenzie King, as well as opposition leaders, other politicians, bankers, editors, business men, lawyers, doctors and labor leaders—in fact, men and women in every field of endeavor. Mr. Nelson has already had several interviews with each of the following premiers: John Oliver, Greenfield, Dunning, Bracken and Drury. The other premiers will be visited within the next few weeks. In addition, scores of other men and women have been interviewed, in order that they might contribute their ideas to this series.

We must be quite frank: Canada suffers from parochialism, from insularity. Most of our problems would be solved, or at least the perplexities ameliorated, if we all knew more about the other fellow. By knowledge barriers are broken down. This series of articles—one for each of the provinces, and the tenth discussing issues from a federal viewpoint—will provide the opportunity for readers of MACLEAN'S to get really acquainted with the history, details and possible solutions of all our vexing problems.

Canada's Three Great Prairie Provinces

will be the subject of John Nelson's first article and of the triumphs, the trials and tribulations of our great grain growing provinces. He will write in his readable style from facts secured as the result of a long and careful investigation of every phase of Western life.

We of the East, the Centre and the farthest West should miss no opportunity to know, to understand, to share the responsibilities and difficulties of our three great Western sisters to whom we and Canada owe so much. John Nelson's article discusses the problems of the West with the clear understanding of a brilliant journalist, intensely Canadian.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MAY 11, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

REVISING THE BANK ACT

CANADIAN bankers always have an anxious time while the parliamentary committee on banking and finance is sitting to re-draft the Bank Act. They always will have an anxious time of it until a broader policy of public education is adopted.

The statements presented to the committee by leaders of Canadian banking were thoughtful, well-prepared analyses of the banking requirements of the country. They disarmed a great part of the criticism but unfortunately very little of the most important parts of their valuable evidence will get beyond the committee. They showed the need for making as few changes as possible in the present legislation and for making those of a constructive character. But there were many other presentations made to the committee; criticisms of the present banking system; proposals for easier credits and for many alluring systems of bringing about prosperity by merely issuing more paper money and giving everybody all they want to borrow. It is always the thoughtful address at a meeting that goes down in history, but it is the stirring plea of the demagogue who skims the surface that captures the crowd at the moment. That is the danger of the Canadian bankers leaving their opinions on the Bank Act to be given at the last moment to the parliamentary committee. They are bound to lose their force before the more appealing presentations of popular economists.

Once they get the Bank Act safely amended and steered through the house, Canadian bankers sit back in dignity for the next ten years. But the politicians and the socialists are not quiet. They are continually assailing the banking structure and making the general public think that the banking system is in the hands of a few grasping capitalists. And their assaults have not been withous success. Some Canadian provinces have gone into the banking business in a big way in response to these sectional and class appeals, while numerous indirect activities based on misinformation have been adopted in provinces where foreign radicalism dominates.

Now is the time for the heads of Canadian banks to begin to prepare for the 1933 revision of the Bank Act. They should keep up a continuous campaign of educating the public to the banking needs of the country and the manner in which the banks are at present functioning to supply those needs. Had such a broad policy been adopted ten years ago there would not have been provincial banks to-day; there would not have been a Dominion-wide resentment, based upon lack of knowledge, against the present banking system; there would not have been the utter condemnation of everything pertaining to Canadian banks that followed the Merchants Bank scandal.

The American Telephone and Telegraph Company and their Canadian counterpart, the Bell Telephone Company, have learned that it pays to take the public into their confidence, by getting greater intimacy into their points of contact with the public; by excellent and frank addresses by officials to gatherings of consumers; by righting not ignoring grievances. Other large corporations are doing much the same thing. Canadian banks can follow suit with good advantage to themselves and the country at large.

The education of the public should not be a matter of a ten-minute presentation to the banking committee, or a ten-day campaign while the committee sits, but a ten-year tete-a-tete with the general public.

VALUABLE DATA GOING TO WASTE

IN ANY attempt to analyze the real workings of the income tax in Canada, one is confronted by an utter paucity of information. This is because the valuable statistical information concealed in the 300,000 income tax returns received is not collated and made available to students of economic affairs. It is not suggested that there should be any revelation of the contents of individual returns but there should be a tabulation of the main statistics. One result would be a better knowledge of the fairness or unfairness of the incidence of the income tax; another would be a clearer idea of the sources of income in Canada.

The United States analyzes its income tax returns and the published reports on the statistical information thus gleaned contain a wealth of material for the economist, the statistician and the financial writer. What the United States has done Canada could do with ease, because it has the machinery for the work. It could probably be accomplished without adding a dollar to the tax bill.

There is the precedent of the work of collecting records of births, marriages and deaths in Canada—the vital statistics of the nation. Formerly municipal, provincial and federal bodies duplicated this work and clashed on questions of authority. Now the Dominion Bureau of Statistics provides the machinery for the tabulation of the statistics and the local authorities collect the information. Not only are the statistics more accurate and uniform, making comparisons easier, but the total cost of collecting and compiling the data has been greatly reduced.

The income tax branch of the department of finance collects income tax information for purposes of taxation. It keeps extensive records and has certain statistical files. These files should be put in charge of the Dominion Bureau of Statistics, which is equipped mechanically to handle such work. They could then collate data and make it public. The increase in staff at the Dominion Bureau of Statistics would probably be compensated for by a reduction of staff in the income tax department. And valuable information, now going to waste, information revealing the purchasing power of the country, the investment policies of the nation and the distribution of taxes would become available.

H.R.H. SETS AN EXAMPLE IN NATIONAL ECONOMY

AN OLD friend of ours who was a guest at Government House, Ottawa, when the Marquis of Lorne and Princess Louise were there, tells that they were both continually protesting against the extravagance of their servants. She recalls that on one occasion after a dinner party the ladies retired to one of the state drawing-rooms, led by Her Royal Highness. It was brilliantly lighted and Her Royal Highness immediately went herself and turned out two-thirds of the lights.

One of the guests said it was not necessary to be so economical as the Government paid for it. Her Royal Highness at once retorted, "That is a greater reason why we who are public servants should avoid wasting public money."

Will our Prime Minister kindly note?

TURN HAS COME IN RUSSIA

SURFACE indications during the last few weeks are that the influences underlying Soviet control of Russia have decided to eliminate the agitation as rapidly as possible. The Lenine-Trotzky group of agents have finished their work of putting Russia completely under Prussian control. There is a gradual withdrawal of leaders. Many of them are being transferred to and are carrying on their activities in Canada and the United States.

It may be that Trotzky himself and some of his lieutenants, having experienced power, have lost their sense of proportion and may seek to hold on—just as some of their dupes are holding on in Ireland to-day.

If things go smoothly, Russia is destined to be a great country. Will the Prussians continue their old-time policy of "boring from within" in the British Empire and the United States; or will they now devote their entire energies to holding and developing Russia?

PROSPECTORS THE NEED OF THE NORTH

A. F. BRIGHAM, general manager of the Hollinger Gold Mine declares that the need of Northern Ontario is for prospectors. The need of men for field work he declares is pressing. "Get the prospects and I will get all the money required right here in Canada," he said. In this connection it might not be a bad idea for the Ontario mines officials, when they are drafting the itinerary of Dr. Goodwin, for his prospectors' classes in the fall and winter, to include Toronto.

Interest in Northern Ontario activities, and in mining in particular, was never greater and is increasing steadily. A prospectors' class in Toronto would attract many. If it sent a half dozen men into the field, it would justify itself. Certainly it would do no harm to have the practical and technical knowledge, imparted at these classes, spread broadcast. The wider knowledge there is of mining the greater the interest.

Dr. Goodwin's classes for prospectors have come to be an annual event throughout the north. A good work is being accomplished by them. At these classes men are instructed how to find mineral in place. They are given a fair smattering of geology and told what to look for when they go into the field. They are also told how to carry on after they have made what they believe to be a valuable discovery.

EDITORIAL NOTES

GEORGE E. ROBERTS, vice-president of the National City Bank of New York, in a recent article stated that "the wealth employed in industry is social wealth, no matter who owns it. Not until it is withdrawn from private consumption does it cease to yield social benefits."

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SPECIAL AUDITORS of the books of the L. R. Steel Company have reported that it cost nearly $10,500,000 to raise the capital of $28,000,000. No stronger condemnation of the one-call stock selling system from the standpoint of sound finance could be asked.

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IF THE LABOR leaders would co-operate in the matter of cheaper production of Alberta coal—a fair day's work for a fair wage—it might be possible to supply Western fuel to Eastern consumers without increasing the deficit on the National railways and thereby adding to the burden of the Canadian taxpayers.

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SINCE THE appointment of Drury's investigating commissions there has been a very marked change in the handling of construction and administration details by the Hydro Electric Commission. A practical man who is closely in touch with the Hydro, states that the expense of the commissions has already been more than justified in the marked improvement in efficiency in the various departments.

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THE ONLY time when the taxpayers have a say in the conduct of governmental affairs is when they record their ballots. They are entitled to all available information for their guidance when they do so. The Gregory Commission was appointed in the public interest to throw light on the Chippawa undertaking. Premier Drury goes too far when he promises that the results of the inquiry will not be made public until after the forthcoming election. He is keeping information from the voters to which they are entitled.

* * * *

"IT IS MY conviction that a government which wants quickly to uplift its own people from the after-war crisis, must give free play to private enterprise and forego any measure of state control or state paternalism, which may perhaps satisfy the demagogy of the Left, but as shown by experience will, in the long run, turn out to be absolutely fatal both to the interests and to the economic development of a country." With these words, amongst others, Benito Mussolini addressed the International Chamber of Commerce in Rome not long ago.

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SOMETHING of a reversal in the usual policy of United States firms opening branches in Canada to handle their business in this country, is noted in the action of a Canadian manufacturer of shovels who has been doing an export trade in shovels to the States. The Fordney tariff, however, places a 15 per cent. duty on shovels going into the United States, whereas formerly they were admitted free as agricultural implements. As a result the Canadian firm has now established a plant in the United States.

The Pest of Paternalism

Hon. Augustus O. Stanley, U.S. Senator Points to the Menace of Too Much Law at the Present Day

From time to time THE FINANCIAL POST has given attention to the ever-growing tendency of the legislatures of the Dominion to turn out laws and yet more laws. To the thinking people this hit-and-miss grinding out of statutes is fraught with a grave danger—it is bound to result in breaking down the respect for law and order, the respect for individual rights. There are signs, many of them, that this to-be-deplored state is more or less with us to-day. The cause, some say, is unfair laws, but perhaps the greatest menace is too many laws. Railroaders have been known to state that if their rule book was lived up to to the letter the wheels would soon stop turning. In this the companies have made provision for the human element. With the law it is different. The railways have the spirit of their rules lived up to, with the country it is the letter lived up to, or, as an alternative, there is only one, violated.

Canada is not alone in this regard. The United States is leading us. In fact, they are so far advanced that they are at the stage where, lacking even the semblance of a sound idea for a law, they have, in many cases, turned to freak ones.

Hon. Augustus O. Stanley, U. S. senator for Kentucky, has given some study to the trend of laws in his own country and has drawn some interesting conclusions therefrom. He makes the decidedly interesting point that real legislative prograss is made by repealing laws, not creating new ones. He gives some idea of the burden of the people of the United States by pointing out that for practically every three days of activity the U. S. House of Representatives gives the country four new laws to adjust itself to. Then, of course, they have their state legislation, also in active competition, as we have our provincial legislators. Of decided importance is the warning he sounds that the great number of the laws of the day are sought by minorities and are such as are opposed to the best interests of the majorities. In this connection also, the situation in the Dominion is not unlike that of the U. S., only here the tendency is not yet so pronounced.

Attitude Must Change

"The time is at hand for a changed attitude both on the part of the public and of public servants with regard to the scope and character of legislation," is Senator Stanley's opening paragraph in an article published in Columbia, a K of C magazine.

He immediately drives home his argument for legislative progress by law repeal when he says: "The best effort, the best thought of Congress should be devoted to the repealing of old laws rather than the enactment of new ones of the same kind.

"'For five hundred years,' says Buckle, 'all advance in legislation has been made by repealing laws.'

"If the repealing of statutes rather than their enactment marks true legislative progress, as it seemed in 1858 to the author of the 'History of Civilization in England,' how have we fared during the last half century?

"While the fever for new and more laws seems to have dominated the legislative thought of all the world, in no country has it raged with such violence as in America. I do not except even the Germany of Bismark and the last two Wilhelms—a Germany that veritably was 'made over' by the statutory process within a period of a generation. In one of the ex-Kaiser's recently-written documents the boast is made that under his régime nothing was considered to be beyond the power of the state. The calculated purpose was to merge all interests, even those of the individual, under a federal supervision.

"The most efficient blending and molding and wielding of mass of power the world has ever seen was the outcome. But it carried within itself the seeds of certain destruction. This massing of everything into the state created a political Frankenstein which no group of individuals could control. And when war came the mass broke before the determined individualism of other nations. The German organization had lost all individual initiative; they were efficient only when moving in mass formation."

The senator goes on to say that the law-making mania of his country has been less effective than that of Germany for the reason that they have been less thorough. The Germans had a definite object, the U. S. people follow the lines of least resistance. If a difficult problem comes up, they pass a law, and then proceed to forget the problem and the law. The danger, however, is that the law is left on the Statutes and, as not infrequently occurs, aggravates the very evils against which it was enacted, so another law is passed—worse than the first.

The Senator adds: "A glance at this heterogeneous mass of federal legislation will convince you that if legislative progress depends in any way on the repeal of bad laws, or care in enacting good ones, we have retrograded atrociously, and still are going downward."

Not the Worst

After dealing with the present rate of law making of the 67th Congress, now in session, the writer remarks: "That isn't the worst of it. Whenever a congress or other legislative body adjourns sine die, it leaves a much larger amount of unfinished work than it inherited. Something like 20,000 different bills were introduced in the 67th Congress alone. Many of them were introduced, no doubt without hope, perhaps no immediate desire, on the part of those who framed them, that they would be enacted into law. But legislative history of the last 25 years demonstrates nothing so clearly as the fact that persistence will in time crystallize almost any demand of an organized minority into law. This applies even to proposed amendments to the fundamental law. It has come to the point where any one who wants to add to constitutional or statutory measures has only to keep on demanding it long enough. Ultimately it will be adopted, if for no other reason than to get rid of its sponsors.

"In this fever for law making, this hectic belief in the all-powerful nature of a sheet of paper called a statute, there lie many dangers—some perilous to civilization itself.

"To this pernicious practice is due the exorbitant growth in the cost of governmental operations; the depreciation of the individual and the appreciation of the mass; and, worst of all, the insidious inroads on human liberty."

This brings up another important point, the cost of administration. The writer deals with one small phase of this when he writes:

In 1907, Senator Foraker of Ohio, bemoaned the multiplication of useless offices and officers in his degenerate day, declaring that:

> "The little band of 167 special deputies, agents and inspectors on the pay rolls of the Government, in ten years has swelled to an army of more than 3,000."

Only 3,000 prying agents and inspectors operating under federal government commissions in 1907! There are most than 30,000 now. Former Governor Haskell, of Oklahoma, declared only a few months ago:

> "Less than a quarter of a century ago, in the great employment of individual rights and local self-government, our federal authorities found it necessary to have upon the pay roll of the federal government fewer than two hundred sleuths, special agents and inspectors to aid in the enforcement of federal laws. Will any one defend the policy of the federal government which to-day employs forty-two thousand inspectors, sleuths, inquisitorial agents to dog the footsteps of him who should be, in the exercise of his constitutional rights, enjoying the hitherto dignity and freedom of an honest American citizen?"

An Old, Sweet Song

Look back to Jefferson's second inaugural. It reads now like some old, sweet song:

> "At home, fellow citizens, you best know whether we have done well or ill. The suppression of unnecessary offices or useless establishments and expenses enables us to discontinue our internal taxes. These covering our land with officers and opening our doors to their intrusions, had already begun that process of domiciliary vexation, which, once entered upon, is scarcely to be restrained, reaching successfully every article of produce and property . . . . It may be the pleasure and pride of an American to ask, what farmer, what mechanic, what laborer ever sees a tax gatherer of the United States?"

From the beginning of Jefferson's to the end of Buchanan's administrations—sixty years—the federal government's operations, including two wars, cost less than a billion dollars.

To-day the writer points to the appalling cost of hundreds of commissioners, boards, bureaus, with their hundreds of assistants and disputes, until he remarks there seems to be no limit on federal power and no bottom to the federal treasury. Acting upon the preposterous assumption that national wealth can be multiplied by federal taxation, Washington has become the Mecca of the visionary and the necessitous, each hour furnishing some new legislative nostrum or some new means of harassing or plundering an outraged public. All they need to do is to stay long enough and be persistent enough to get whatever they demand. How can it be otherwise when legislators, as I have shown, glory not in the character but in the amazing volume of grist turned out by the Congressional mill?

You need but to glance through the titles of the 20,000 bills still pending, at this writing, in the 67th Congress—most of them not passed will be re-introduced with many others in the next Congress—to see that this inordinate lust for inquisitorial power, for the use of the machinery of governments to plunder interests, sections, and classes for the benefit of others, has only begun.

There is not at this hour left a single "inestimable privilege" or one "inalienable right" mentioned in the Declaration of Independence and secured by the Constitution which is not openly invaded or secretly undermined by some paternalistic project or subservient propaganda.

A Business View of the Roman Aqueducts

Margot Asquith did not like the power plants at Niagara Falls because they marred the scenery. She had not thought deeply enough about the economic benefits of the power developed at Niagara Falls—the reduction in manufacturing costs that in turn cut the cost of commodities to the ordinary consumer, the saving in coal; the improvement in working conditions; the lighting of farms and streets and homes; all making the world a better place to live in.

Some people see only the natural beauties of the earth. Others see the economic possibilities. Sometimes the two seem to clash. Norval Richardson tells a story in the Saturday Evening Post about an American financier who visited Italy to study the possibilities for water power development. Many readers can guess who the "American financier" is. The same man (for he can be recognized although not named by Richardson) has put millions into Canadian developments. The story about him runs:

"I recall one man especially—one of our most conspicuously successful men—who was much interested in the conditions that would face Italy after the war, and who made the remark that he was amazed at the potential development, especially water power. I spent two days in going about with him, presenting him to different ministers, taking him up to Marconi's villa on the Janiculum, where, by means of something that looked like a fruit jar and a piece of wire, we listened to news being sent out from Petrograd, Constantinople and London; and finally at his request drove with him out on the Campagna so that he could get a comprehensive view of the aqueduct system used during empire days.

"I watched the financier's face, interested in the enthusiasm shown in it. It surprised me to find that he, supposedly interested only in the commercial opportunities a scene afforded, had fallen under the spell of ancient Rome.

"'Isn't it wonderful to stand here,' I exclaimed, 'and look out over a scene so vibrantly filled with events that have made our civilization! Think of the things that have taken place along this road! It was here those magnificient caravans passed on their way to and from the East; it was here that Spartacus and his followers were crucified for attempting freedom; it was along here that Peter, fleeing from Rome, met Christ and went back to suffer the same fate as his Master. And over there Zenobia lived a prisoner, brooding on her past glories; and there Hadrian built his country palace; and there Cicero conducted his summer school; and there Nero was forced to screw up his courage and face death; and there Julius Caesar rendered homage to the gods for granting him victory over Gaul!'

"The financier said nothing; his glance following the long line of broken aqueducts showed the concentration of deep thought.

"'Yes,' he said finally, 'it really offers great opportunities. Why, do you know, it wouldn't be any trick at all! A little patching done here and there to those aqueducts, a few hundred feet of iron pipe connecting them, and you'd have a water power that would make hundreds of factories spring up overnight! Instead of deserted fields and ruins, and those dismal cypress trees—given over to poppies and stray sheep—this would be a land of the full dinner pail!'"

CURRENT OPINIONS

CHEAP MONEY

Border Cities Star

One of the surprising developments in the financial world is the decline in the interest paid to depositors in British banks to one per cent. The reason is that much more capital is now available for investment than is the normal rule. It is one condition in the regaining of London's supremacy in the money markets of the world.

THE STEEL FAILURE

Dry Goods Review

Since the failure of the Steel Stores in Canada and the United States, there has been a great deal of the "I told you so" talk from wide and varied sources.

Perhaps the most significant point that the keen investor took into consideration when this stock was offered to him, was the system adopted for selling it by the house-to-house canvas. What are termed "high powered" salesman were primed up and sent from house to house to tell the "downtrodden" consumer how he or she was being robbed by the stores in existence, and about the wonderful opportunity there was to make money by investing in the Steel enterprises.

Those who know something about how stock is sold in new enterprises, kept away from Steel. Good investments are not sold in that way. The people who should shun such stock are those who can ill afford to lose their money. It may be all right for the man who has lots of money to take a chance on a new enterprise of this kind, but not for those who will feel the pinch if they lose.

B. C. FREIGHT RATES

Winnipeg Tribune

"British Columbia is not asking favers, but an equal chance with the rest of the Dominion, and we are going to get it," declared Premier Oliver, speaking at Calgary in an effort to advance the coast province's claim for equalized freight rates.

British Columbia, having been granted a concession amounting to about 17 per cent. reduction from her former rates, is not satisfied, and is appealing to the governor-general-in-council against the decision of the Board of Railway Commissioners. At present British Columbia rates are perhaps 20 per cent. higher than the rates on the prairies. Operation costs in the mountain country are such however that the present rates are not only not unjust but really favorable. Premier Oliver is leading the campaign which has for its object securing a body of public opinion strong enough to induce the government to overturn the decision of the commission.

British Columbia has a thoroughly bad case, but because there is little effort to counteract the campaign she is waging, is winning not a little sympathy in Alberta and Saskatchewan. There the point is stressed that their interests are identical with those of the coast province—which they are not. Not the railways but the prairie provinces would suffer if this campaign succeeds.

We are not asking favors, but an equal chance, declares Mr. Oliver. But the fact is that British Columbia has been granted favors in freight rates far exceeding those enjoyed by any other province or section, and is now asking not for equalization in the true sense but for still greater advantages over the rest of the Dominion.

City of Toronto

5% Serial Coupon Bonds

Principal and half-yearly interest payable in New York or in United States gold coin or in Toronto in Canadian currency at the holder's option. Bonds may be registered as to principal.

Assessed Valuation for Taxation, 1922. $772,114,298
Net General Debenture Debt......... 52,302,516
Value of Municipality's Assets....... 164,000,000
Population, 529,083

BONDS AVAILABLE

Denomination: $1,000.

Due	Oct. 1st	Dec. 1st	Prices	
1943	59,000	95,000	98.72	and accrued interest
1944	77,000	180,000	98.69	" " "
1945	83,000	130,000	98.65	" " "
1946	86,000	243,000	98.62	" " "
1947	91,000	255,000	98.60	" " "
1948	96,000	267,000	98.57	" " "
1949	95,000	281,000	98.54	" " "
1950	101,000	295,000	98.52	" " "
1951	106,000	310,000	98.49	" " "
1952	3,000	65,000	98.47	" " "

PRICE: AS ABOVE, TO YIELD 5.10%

These Bonds form most desirable investments.

Orders may be telegraphed or telephoned to any of our offices and securities will be delivered to purchasers free of all delivery charges.

A. E. AMES & CO.

Investment Securities.

UNION BANK BLDG. . . . TORONTO
TRANSPORTATION BLDG. MONTREAL
74 BROADWAY . . . . . NEW YORK
BELMONT HOUSE . VICTORIA, B.C.
HARRIS TRUST BLDG. . . CHICAGO

Established 1889.

Members of Toronto and Montreal Stock Exchanges

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

GREEN-MEEHAN MINE

Subscriber, Orangeville—Have you any information on hand regarding the fate of the Green-Meehan Silver Mine at Cobalt?

Green-Meehan Mine has passed out long ago. This property was sold to square up the debts. Edwards and Wright who afterwards worked it got some valuable ore. The stock is worthless.

SOUTHERN CANADA POWER

O. M., Nova Scotia—Would like information regarding the Southern Canada Power 6% bonus due 1948.

Southern Canada Power has been developing its field of service and the bonds are not only well protected now but are likely to grow in strength as the company develops. We consider them an excellent public utility investment.

BRANDRAM-HENDERSON

Subscriber, Oxford—Would like your opinion of Brandram-Henderson, 7% preferred around 95.

Brandram-Henderson preferred is well secured for earnings in 1922 showed an excellent increase over 1921 and it has been possible to increase the dividend rate on the common stock. The company is very solidly organized and is financially strong. The shares yield about 7.35 per cent.

ST. JOHN DRY DOCK

B. B., Montreal.—I enclose herewith an advertsement of bonds of the St. John Dry Dock & Shipbuilding Company, due 1951 and 1952, and will be glad if you will advise if you consider these bonds are a good investment.

The bonds of the St. John Dry Dock and Shipbuilding Co. are considered a good investment. The Dominion government pays the principal and interest as the company is subsidized by it. In case you desire to sell, there is a wide market for them, as they are looked on favorably by many institutional buyers.

BELL TELEPHONE

Reader, Lake Simcoe—I have been thinking about Bell Telephone but have not been able to come to a decision. I want not less than a 6% yield on a bond because I can get from 6% to 7% on farm mortgages. Kindly give me your opinion.

Bell Telephone will yield you about 6 2-3 per cent. at present prices and we consider it an excellent investment for the investor who has already a reserve of government and municipal bonds. The more difficult period of the company's operations seems to have passed and it is entering a time when the stock should gradually move upwards.

CASUALTY CO. OF CANADA

Reader, Montreal—I would appreciate an opinion on the Casualty Company of Canada. They recently offered shareholders a new issue for expansion of the business but I have never seen a balance sheet. What are the possibilities of this company?

The Casualty Company of Canada was organized in 1911. It transacts all forms of automobile, burglary and plate glass insurance under a Dominion license. The company has assets in excess of liabilities and maintains the necessary reserves.

In 1921 additional stock was issued to raise funds for writing fire insurance on automobiles. Following this the company's net income was increased materially, indicating the increased business. No dividends have been paid on the stock as yet, but this is to be expected in companies of this sort as it is more important to build up a strong position. The management appears good and the assets consist chiefly of high-grade securities.

HILLCREST COLLIERIES

R. H., Nova Scotia—Kindly give us information from standpoint of security first, possibilities of appreciation; secondly, of the Hillcrest Colleries 7% preferred around 86.

There is very little trading in Hillcrest Collieries preferred stock. The shares are rather closely held and there is only about $700,000 outstanding. The company's operations have been carried on on a very satisfactory basis during the past few years and there has never been any difficulty in earning the preferred dividend and a substantial margin for the common shares. At 86 the stock yields over 8 per cent. and may be considered a fair investment.

CAN. FEATURE PICTURE

W. S., Winnipeg—One of our shareholders and a great friend of the company's has made an enquiry of us to find out the value of holding stock in the Canadian Feature Picture Company with headquarters at Toronto.

If you are conversant with the nature of the business carried on by this firm, and the present value of their stock, we would be pleased to receive your opinion.

Canadian Feature Production Co., Ltd., 12 Queen Street, East, Toronto, is a Canadian organization backed by some good men, designed to produce and sell Canadian moving pictures. They have produced three pictures already and are now considering a fourth. They claim to have met with a fair amount of success in their previous ventures, but claim that if the new one goes over as they expect, it will net the company 150 per cent. The venture is an interesting one but of course quite speculative. We have not the weather conditions, the facilities for taking, or the field for selling pictures as in the Southern States.

CANADIAN CONNECTICUT

Reader, Nova Scotia—Kindly give us information regarding Canadian Connecticut common around 8.

Application will shortly be made to list the stock of Canadian Connecticut Cotton on the Montreal Stock Exchange. This will give a more open market for the shares and will make it possible to get a better idea of its real market value. At present the Class A common shares of which $1,000,000 are outstanding, are quoted from 7 to 8½ and the Class B common stock of which $500,000 is outstanding is quoted about 6 to 8. Ranking ahead of the common stock is a preferred issue of $3,000,000 which is at present selling in the neighborhood of 90 and on which there are 12 per cent. dividends in arrears. Considering that these dividends are in arrears the prices quoted for the common stock seem to be a little out of line and the preferred probably offers a better opportunity for a good speculative investment than the common. There is some talk of the company paying off its arrears on preferred shortly and it is stated that it is in a position to do so. As the preferred will share in distributions on the common to the extent of 10 per cent. of the dividends paid on the junior securities its speculative possibilities are excellent.

TORONTO RAILWAY

Reader, Shawinigan Falls—I have 73 shares of Toronto Street Railway common bought 1910 at 103. What is your opinion as to the best disposition of this stock? Is it better to await a final decision on the price to be paid by the City of Toronto?

When the award in the Toronto Street Railway arbitration was announced there was reason to believe that it would make a return of between $110 and $125 a share for the stockholders possible. The award was, however, somewhat disappointing to both sides and it became inevitable that litigation would ensue that would hold up the final disposition of the matter for many months. This has been responsible for a further disappointment for the shareholders and many who had hoped to eventually get a good price for their stock sold rather than wait for a return that after all was speculative. This has been responsible for a somewhat weak market for the stock. While the delay and expense is annoying we do not see any reason why a shareholder should sell at the present time. The chances are about even that the ultimate return will be higher than the present market price.

WEAR-RITE TEXTILE

Reader, Orangeville—We should be glad if you would let us have your opinion of Wear-Rite Textile Co., pref. and com. shares.

Wear-Rite Textile Co., is erecting a factory in Toronto. It is nearly completed and it is stated that machinery is now on its way here from United States and British firms. The company proposes to manufacture cloth and will start, it is stated, with 40 looms and then gradually enlarge. They are satisfied that there will be a good market for their product and that they will be able to compete with imported goods. The company is capitalized at $175,000, 8 per cent. preferred and $200,000 common, par value $10. The first sales of the stock were on a basis of par for the preferred with a bonus of 40 per cent. common. This was later reduced to 25 per cent., and now both are being sold at par. It is stated that it is costing rounghly 20 per cent. to sell the stock. The manager of the British Industrial Corporation which is selling the stock and looking after the affairs of the company, stated that when the machinery starts running, he is satisfied there will be about $60,000 working capital; the plant and machinery will be paid for and there will be a fair sized block of the common stock in the treasury.

The venture may be regarded as a business man's speculation.

NATION'S OIL REFINERIES

H. W., Montreal—I would appreciate your opinion of Nation's Oil Refineries, Montreal, as a speculation. One is led to believe that Pres. Briscoe, by arranging for the underwriting of the $350,000 bonds has already provided sufficient cash to guarantee the operation of at least the proposed 600 bbl. refinery, whether the public further subscribes or not. Also one is led to believe that assets held in trust by the Montreal Trust Co. are ample to secure the bondholders, thereby reducing the speculative element to 50 per cent. of the funds invested, according to the unit arrangement by which the issue is sold.

Securities of Nation's Oil Refineries are a somewhat hazardous speculation. The success of the company depends to a great degree upon sufficient capital being raised to give a complete opportunity to try out the market for the super gas, which the company proposes to produce at the refinery it will build. Under the unit plan of selling that is being adopted, the bonds being sold along with preferred and common shares, any merit attaching to the bonds merges into the very speculative features of the stocks. The bonds are not sufficiently well protected, in our opinion. Assets, it is estimated, will have a value of $350,000 after giving completion to the present financing, apart from $500,000 or so put in for patent rights, etc. But patent rights cannot be considered as an asset behind a bond issue although contributing to the speculative value in the stocks.

ABITIBI POWER

J. S., California.—I would appreciate your opinion of Abitibi. I hold 50 shares of common stock. There appears to be some uncertainty as to the present market, if it is not likely to depreciate before very long, and it has been suggested to me that upon any advance it would be well to dispose of it. Would you advise me to dispose of it or if the market should sag would it be safe to hold as investment for income? You no doubt have a good idea of what prospects the stock has for the near future.

At present prices Abitibi Power & Paper stock is selling at almost the highest point reached since the end of 1920. We have considerable faith in this security and would not recommend that the average investor sell. At the same time you are situated too far from the Canadian investment markets to follow the fortunes of a security in which there is a speculative element and we presume that you desire to have your funds invested in securities that give you the minimum of responsibility. Upon this basis you might be justified in disposing of your Abitibi shares in the present good market.

There is, however, no need to dispose of it because of any weakness in its position. There is an excellent market for newsprint at the present time, the mills are getting higher prices and are beenfiting from the premium on New York funds. Abitibi is past its heavy construction program stage and is in a position to consolidate its earning ability.

ILLINOIS TRACTION

F. A., Quebec—I have 75 shares of Illinois Traction pref. stock, bought 1909 at 94½ which I wish to get rid of. Do you consider that it is better to sell now or await a possible further rise in price of this security?

If you wish to sell your Illinois Traction preferred stock at the present time you will get in the neighborhood of 87 for it, which is much above the average for a number of years back. At the same time it must not be forgotten that this stock will be exchangeable for 7 per cent. preferred stock under the plans by which this company merges with other interests in Southern Illinois and this means an increase of one per cent. per annum in the dividend rate. One result of the merger will likely be a shifting of control of the company to the United States. Across the line they are not accustomed to the same high dividend rates that apply in a smaller country such as Canada, and the 7 per cent. preferred stock should sell in the neighborhood of par. Eventually when the whole plan of re-organization has been worked out and the companies begin to operate successfully this stock should acquire a better value in the market. Unless you are anxious to get your money out practically at once we feel that by waiting some months or possibly less you can get a better price. Of course, a lot depends on the success of the new company but very strong and efficient people are behind it and should make it a definite success.

CROWN RESERVE

D. M., Montreal—I should be very much obliged if you would favor me with an expression of opinion regarding the prospects of the Crown Reserve Mining Company. I believe their stock is now quoted at approximately 70 and I should like to know whether or not in your opinion a customer of mine would be wise in holding his three hundred odd shares for an increased price.

Crown Reserve is opening up a nice body of commercial ore on its Larder Lake property and by the end of the year should at least be in a position to go ahead with mill plans. If all goes well a year from now should see the mine producing. As you say the stock is now selling around 70c, we believe that manipulation had quite a bit to do with putting it to that level.

Though nearly so, the property can't be said to be a proven mine. The treasury of the company is barren. A million share increase was made in the capital to provide funds for development and in the meantime a market was made for the funds. It was recently reported that a block of the stock owned would be underwritten at 60c, since then the market eased from 72-73. We believe it is only a report.

There is a strong pool at Montreal in this stock, and if results on the 500-ft. level are satisfactory it is said to be their declared intention to put the stock to par. Steady buying has been adding to the size of the pool.

There is the situation. You know what your client bought at. He may have a nice profit. He may make an additional profit and he may not. He's the speculator.

TO INCREASE INCOME

W. F., Montreal—I have $20,000 Dominion of Canada 5½% bonds due 1927. I am a business man and my income is approximately $7,000 per annum. Will it be wise for me to exchange all or part of these at the market price for St. Maurice Power Company, first mortgage 6½% bonds due 1953 at 102, and Chas. Walmsley 6% first mortgage bonds due 1942 at 98?

A business man who has reached the stage where he has an assured income in the neighborhood of $7,000 a year is justified in purchasing good industrial bonds for the sake of the higher yield that they return regardless of his other investments. It would be advantageous for you to exchange your 1927 Victory bonds for such bonds as St. Maurice Power Company and Charles Wamsley Company, but if you are going to dispose of the entire $20,000 of Government bonds you would be safer in dividing the sum among about five securities instead of between two only.

The St. Maurice Power Company first mortgage 6½ per cent. bonds, due in 1953, afford an excellent long-term investment with interest and principal payable in New York. The company is a subsidiary of The Shawinigan Water & Power Company and its entire output for the term of the bond issue is sold to the Shawinigan Company at sufficient to meet the charges. The company should have no difficulty in meeting the bond interest for the initial cost of the water power development is only $83 per horse power, which is comparatively small for a large development. There is a good market for the power and in every way the issue ranks high.

The Charles Wamsley issue has the strength of being guaranteed unconditionally by the parent company in England, the W. G. Armstrong-Whitworth Company, one of the largest industrial corporations in the British Isles.

This List Needs Strengthening

A. R., Nova Scotia.—A short time ago I sent you a partial list of my investments and now send you a complete list of all my investments which will enable you to judge more definitely as to my requirements. Please let me know what changes, if any, you would advise, also if you could recommend some additional investment for three or four thousand dollars: Eastern Can. Loan, 24 shares; Brandram-Henderson 3; B. C. Permanent 20; Stanfields, pfd. 5; Stanfields com. 5; Acadia Loan 10; Bank of Commerce 18; N. S. S. debenture stock 20; Maple Leaf pfd. 8; Maple Leaf com. 2; Mexican Northern 10; Porto Rico pfd. 20; Asbestos pref. 5; Asbestos com. 3; Can. Cement pfd. 10; Tram Power 10; Alberta Pac. Grain pfd. 10; Alberta Pac. Grain com. 2; Montreal Power 50; Mattagami Pulp deb. 5; Famous Players pfd. 4; Famous Players com. 2; Gunn's pfd. 5; Riordon pfd. and com. 5 each; Royal Bank 10, and Bank of Nova Scotia 10.

The most striking feature of your list of investments is the fact that you have there something like $40,000 or more at present market values of securities and do not hold a single Canadian Government or provincial or municipal bond. Many of your investments are very strong and undoubtedly show you an excellent profit since the time when your purchased them. They provide you with an assured income. But on the whole the list could be revised and considerably improved. You have about ten bonds and about 27 different kinds of stock representing 21 different corporations. This is carrying the sound principle of diversification of investments to an unnecessary degree. It involves you in a great deal of work in connection with the management of these investments which an elderly investor should seek to avoid. It is quite impossible for you to properly follow the fortunes of each of the corporations you have invested with. An investor should always purchase securities with consideration for the estate he will leave at his death. The long list of securities covering every class of business and including many speculative stocks becomes a difficult thing to manage and often involves considerable loss in liquidation.

The funds that you have for investment at the present time should go into the very best class of security that you can buy—preferably government or municipal bonds—to provide the ultimate reserve of strength that should have been originally built up. Then as these other securities mature and as it becomes profitable to market some of the more speculative common stocks on your list the proceeds should go into such investments of unquestioned soundness. The number of such investments might be considerably cut down to the end of relieving you of a good deal of the efforts and responsibilities that this long list involves.

You have been quite a heavy investor in bank stocks but the three represented on your list are among the three strongest and these securities need not be touched. Your loan company shares are all returning you fair dividends and these also may well be held. Of the stock, Maple Leaf Milling preferred, Asbestos preferred, Canada Cement preferred, Montreal Power and perhaps the Stanfields preferred are so highly rated that they should be continued on your list.

But it is when your common stocks are studied that a need for a revision to suit your particular purposes is apparent. It may be necessary for you to take losses on a number of these but the improvement in your holdings will be worth it. Brandham-Henderson common; Asbestos Corp. common; Alberta-Pacific Grain, common; Famous Players preferred and common are not quite in the class suitable to you although some of them have attractions. Most of these could be disposed of at the present time and the funds reinvested in such a way that the improvement would be worth while.

Regarding such securities as Mattagami Pulp Company, Gunns' preferred, Riordon preferred and common, your ultimate realization from them is somewhat doubtful, but considering the efforts towards improvement in each of these companies it would be probably best for you to wait sometime to give them an opportunity to work themselves out.

Your Price Bros. bonds have been called for redemption on May 1st at $102½. As no interest will be paid on these bonds after that date you should immediately present them for redemption.

An Impartial Review *of* Business Conditions in Canada

A brief summary of the current state of business in Canada, based on authentic statistics, is given in the issue of the Greenshields Review just published.

Of particular interest to investors are deductions as to the probable influence of these facts on investments.

The Greenshields Review is now in its eleventh year.

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are the best thing in the market to-day, if you want good interest return coupled with probability of appreciation in value.

INDUSTRIALS have not advanced as quickly as Government and Municipal Bonds have. But the condition of business in Canada and the real scarcity of good Industrial issues by the larger corporations point to higher prices and lower yields.

THE following, taken from our current list, afford ample scope for individual selection:—

	Rate %	Due	Price About	Yield % About
Stetson Cutler 1st Mtge. Bonds................	7	July 1, 1942	99.	7.10
Nova Scotia Tramways and Power General Mortgage Bonds................	7	Apr. 1, 1952	100.	7.00
Wabasso Cotton Mtge. and Coll. Trust Bonds	7	May 1, 1942	102.	6.80
Continental Paper Products 1st Mortgage Bonds.....	6½	Feb. 1, 1943	99.50	6.55
Bathurst Company 1st Mtge. Bonds...........	6½	June 1, 1941	100.	6.50
Abitibi Power and Paper Genl. Mtge. Bonds......	6	Jan. 2, 1940	97.50	6.25
Western Power of Canada 1st Mtge. Bonds........	5	July 1, 1949	87.50	5.95
Donnacona Paper 1st Mtge. Bonds................	6	June 1, 1940	101.	5.90

WE serve the smallest as well as the largest investor. Instalment terms arranged if desired.

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Amount	Rate	Due	Price	Yield
$25,000	5%	1939	98.65	5⅛%
40,000	5½%	1943	104.34	5.15%
40,000	6%	1940	109.12	5.20%

Denomination: $1,000.

Prices: As above.

Full particulars gladly furnished upon request.

Wood, Gundy & Company

Toronto 86 King Street West Montreal
Winnipeg Toronto New York
London, Ont. Telephone: Main 4280 London, Eng.

Investment Suggestions

YIELD
Montreal Protestant School, 5%, 1952, 98¼, 5.15%
(Trustee Investment in Ontario)
Woods Manufacturing Co., Ltd. 6%, 1943, 98½, 6⅛%
Write or telephone for further particulars
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S. H. POWELL, LIMITED, STOCK AND BOND BROKERS, WISH TO ANNOUNCE THE REMOVAL OF THEIR MONTREAL OFFICE FROM 232 ST. JAMES STREET TO LARGER QUARTERS ON THE FOURTH FLOOR OF THE C. P. R. BUILDING, 4 HOSPITAL STREET, OPPOSITE THE MONTREAL STOCK EXCHANGE.

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New Issue
$1,500,000
The Montreal Catholic School Commission
Twenty-year 5% Bonds
Dated May 1st, 1923 Due May 1st, 1943
Principal and half-yearly interest (1st May and 1st November) payable at the Bank of Hochelaga, Montreal, Que.
Denominations: $1,000, $500 and $100
Bonds may be registered as to principal
Subject to the legal opinion of Béique and Béique, Montreal.
Legal Trustee Investment in the Province of Quebec.
Legal Investment for deposit with Dominion and Provincial Insurance Departments.
Price: 99.50 and accrued interest
Delivery of definitive bonds on or about 21st May
HANSON BROS.
MONTREAL OTTAWA
RENE-T. LECLERC
Incorporated
MONTREAL QUEBEC
A. E. AMES & CO.
MONTREAL, TORONTO, NEW YORK, VICTORIA
48

NEWS AND VIEWS ABOUT BONDS

DEMAND FOR BONDS SLACKENS; PRICES SHOW SMALL DROP

Fewer New Issues Than in Corresponding Period Last Year

Bond dealers report a slower demand for bonds than a week ago. The reinvestment of May 1st interest payments seems to be largely accomplished and bonds have been bought for delivery on June 1 in some cases to cover payments due on that date. There is evidence that investors are reluctant to accept the lower rates obtainable on high-grade securities, although prices show some slight recessions from those prevailing during the spring.

Reports from London indicate that there is plenty of money for investment but investors are looking to the better class of preferred stocks and industrial bonds where better yields may be obtained. In New York the gradual decline of the past few months in bond prices seems to have ended, and in some instances advances are recorded.

A great factor in maintaining the present levels in Canadian bond prices has been the comparative scarcity of new issues. According to A. E. Ames & Co., the bonds issued in January, 1923, greatly exceeded those issued in the same month last year, but in the three following months the sales have been much lower. The total to date this year is $121,867,947, as compared with $212,360,046 in the corresponding period in 1922.

A number of issues sold during the week drew numerous tenders with close bidding. The National City Company submitted the high bid of 100.42 for the town of Waterloo 5½ per cent. bonds amounting to $172,915 and comprising $27,161 of 20 instalments, $10,114 of 15 instalments and $135,639 of 10 instalments. The bids were:

National City Co.	100.42
C. H. Burgess & Co.	100.41
Wood, Gundy & Co.	100.32
Matthews & Co.	100.17
Dominion Securities	100.17
Murray & Company	100.14
Dyment, Anderson & Co.	100.137
A. E. Ames & Co.	100.13
Gairdner, Clarke & Co.	100.07
McLeod, Young, Weir & Co.	99.87
Municipal Bankers' Corp	99.78
Macneill, Graham & Co.	99.77
MacKay & MacKay	99.75

An issue of 5½ per cent. 30-year bonds of the city of Hull amounting to $88,000, were awarded to Wood, Gundy & Co. at a price of 100.59, a cost of 5.42 per cent. The tenders submitted were: :

Wood, Gundy & Co.	100.59
Matthews & Co.	100.48
Gairdner, Clarke & Co.	100.43
McLeod, Young, Weir & Co.	99.67

The township of Etobicoke bonds, amounting to $59,939, bearing interest at 5½ and 6 per cent. repayable in 20 and 30 annual instalments, were awarded to Municipal Bankers' Corporation on a bid of 103.302 at a cost basis of 5.30 per cent. The bids were:

Municipal Bankers' Corp.	103.302
C. H. Burgess & Co.	103.24
A. E. Ames & Co.	102.77
Macneill, Graham & Co.	102.64
Matthews & Co.	102.45
McLeod, Young, Weir & Co.	102.39
Gairdner Clarke & Co.	102.333
Bain, Snowball & Co.	102.228
Dyment, Anderson & Co.	102.15
MacKay & MacKay	101.12
Wood, Gundy & Co.	100.36

Gairdner, Clarke & Company were the successful bidders for an issue of $50,000 township of Toronto, 5½ per cent., 30 equal annual instalment debentures. At the price paid the money is costing 5.28 per cent. Bids were as follows:

Gairdner, Clarke & Co.	102.432
Wood, Gundy & Co.	102.41
A. E. Ames & Co.	102.26
C. H. Burgess & Co.	102.21
Municipal Bankers' Corp.	102.22
Matthews & Co.	102.126
Bain, Snowball & Co.	101.95
Bird, Harris & Co.	101.70
Macneill, Graham & Co.	101.67
Dyment, Anderson & Co.	101.683
A. D. Morrow & Co.	101.50
McLeod, Young, Weir & Co.	101.57
Dominion Securities Corp.	101.077

The township of Stamford sold $47,000 issue, bearing interest at 5½ per cent. and maturing in 20 instalments, to Wood, Gundy & Co., at 101.59, this being a cost basis of approximately 5.31 per cent. The bids were:

Wood, Gundy & Co.	101.59
Municipal Bankers' Corp.	101.507
A. E. Ames & Co.	101.29
Bain, Snowball & Co.	101.187
C. H. Burgess & Co.	101.17
Gairdner, Clarke & Co.	101.13
Matthews & Co.	101.11
McLeod, Young, Weir & Co.	100.81
A. Jarvis & Co.	100.80
Dyment, Anderson & Co.	10056
Housser, Wood & Co.	100.71
Macneill, Graham & Co.	100.56

C. C. Cross & Company were awarded the issue of $40,500 city of Moose Jaw bonds, bearing interest at 6 and 6½ per cent. and repayable in 10 and 15 years at a price of 102.35. The tenders were: :

C. C. Cross	102.35
Gairdner, Clarke & Co.	101.54
Wood, Gundy & Co.	101.11
A. Jarvis & Co.	98.13
A. E. Ames & Co.	96.36

The Calgary school board awarded a $30,000 issue of bonds, bearing interest at 6 per cent. and repayable serially in 15 years, to Aemilius Jarvis and Co. at 101.63. The bids were:

A. Jarvis & Co.	101.63
Wood, Gundy & Co.	100.43
A. E. Ames & Co.	100.39

L. G. Beaubien and Co., Limited, were the successful tenderers for the city of Terrebonne issue of $30,000 of 5½ per cent. bonds with bid of 99.61. The bids were:

L. G. Beaubien & Co.	99.61
Municipal Debentures Corp.	99.60
Rene T. Leclerc Inc.	99.40
Credit Canadian	99.175
LePiet Municipale	98.84
Versailles Vidricaire & Boulais	98.56

VICTORY ISSUE, NEAR DUE, CAUSING TALK

Much Speculation Going on as to Where Funds Will be Raised

Much speculation as to the market in which the Minister of Finance will attempt to secure the money necessary to meet maturing obligations and railway requirements is being indulged in. The amount of the loan due this year is $172,000,000. This, with the amount required to meet railway obligations, will total nearly $250,000,000.

There are three markets open to the finance minister—New York, London and Canada. The Dominion government last year negotiated a $100,000,000 loan in the New York market in connection with its refunding program. That loan bore a coupon of 5 per cent. and moved slowly into the hands of the investors because priced a little high to meet market conditions. The opinion of sane New York bankers is that the government will have to pay close to 5½ per cent. in that market. The London market could readily absorb the issue but sterling exchange would have to register some advance before it would become profitable to float the loan there. Many bond men believe the loan could be readily secured in Canada. They point out the continued scarcity of large issues, and the strong demand still in evidence.

Stanfields Has Funds To Redeem Old Bonds

From Our Own Correspondent.

MONTREAL. — When Stanfield's Limited took advantage of a redemption clause in its bond issue to redeem the outstanding balance it was suggested that there might be a new issue under arrangement. It is now understood though that no new issue is contemplated. Funds for the redemption of the bonds were available from other sources.

SWIFT CURRENT TAXES PAID

Bondholders and others interested in the town of Swift Current's finances have some cause for optimism in the first reports of the operations under the agreement reached some time ago. It is stated that one-third of the current taxes and a fair proportion of arrears have been paid. It is also reported that considerable improved property is changing hands.

GRADUATED INCOME TAX ADOPTED BY MANITOBA HOUSE

Tax Free Bonds Not Exempt —Refuse Municipalities' Request

The income tax, which has been found effective for raising a large part of the Dominion government's revenue, has been attracting the attention of other taxing bodies. A bill to institute a provincial income tax in Manitoba has been introduced in the legislature. It proposes a graduated scale of taxation varying from 1 to 7 per cent. on taxable incomes from $1,000 to $13,000. The first taxable $1,000 will pay the 1 per cent. levy and from that figure upwards the scale of taxation will increase by ½ per cent. per thousand until $13,000 is reached. All taxable incomes in excess of this amount will pay 7 per cent. to the provincial treasury.

In the cases of those persons entitled to exemption of only $1,000, these rates will be increased throughout by 1 per cent.

The exemptions allowed include persons supporting dependents whose income is between $1,000 and $2,000, life insurance premiums not exceeding 5 per cent. of the net income, contributions by employees to superannuation or pension funds, income of consuls and pensions to soldiers and sailors or their dependents.

Victory bonds and securities, which are free from the Dominion tax, will not be exempt under the proposed act.

A movement was started some time ago on the part of the Manitoba rural municipalities to secure for them a share of the income tax collected by the province. It was proposed to use the money collected in this manner for educational purposes and a delegation interviewed the premier to present the request. The premier stated the province could not share the income tax receipts until provincial expenditures had been reduced within provincial revenue. When this was accomplished, he stated, aid for municipalities, particularly for education, would receive first consideration from the administration.

The province of British Columbia already has an income tax and in some other provinces there are income taxes levied by the municipalities. It is suggested in some quarters that there should be some form of co-operation between the bodies collecting these taxes to avoid a duplication of work and avoid the imposition of hardships in special cases which may arise.

Further Offering of Canadian Paperboard Co.

The second half of the issue of $800,000 7 per cent. first mortgage sinking bonds of the Canadian Paperboard Company, at par, is offered by Canadian Debenture Corporation. The company is the largest manufacturer of paperboard in Canada, the business having been established in 1886. The fixed capital assets have been appraised on a basis of $2,500 for each $1,000 bond outstanding. The point is made that with the benefit of the financing through the sale of the first half of the issue and also the improvement in business conditions the company is now operating at a profit of over $15,000 per month or on the basis of about $200,000 per annum, more than three and a half times interest requirements. In fact the statement is made that in later months the profits have increased to a substantially greater sum than this.

An attractive feature from the investment standpoint is the announcement made by President J. G. G. Kerry that immediately upon the completion of this financing the company will make application to list these securities on the Montreal and Toronto exchanges.

The company owns water rights on the Lachine Canal, Montreal, and also on the Trent River at Frankford and Campbellford. These powers are being developed. The outlay for purchased power is now running at the rate of nearly $70,000 per annum and this will be reduced by about $45,000 by these developments.

The company's earnings record is indicated by the fact that earnings over a period of six years have been two and a half times bond interest requirements and this six-year period included the depression which for one year was responsible for a small loss being suffered.

A wage increase of 5 cents an hour affecting 22,000 employees was announced to-day by the Standard Oil of Indiana, advance is effective May 16th and will total $2,500,000 yearly.

BOND MOVEMENTS OF THE WEEK

Week Ending May 8

BONDS—	Int. Rate	Due Year	Yield	Range 1922 High	Range 1922 Low	Range 1923 High	Range 1923 Low	Latest Price Ask	Latest Price Bid	Week End High	Week End Low
Bell Telephone	5	1925	4.20	98	94	101.90	97¼	100¼	99½	101.90	99½
Can. Cottons	5	1940	5.92	88½	82	90	88	—	89¾	90	89½
Can. Locomotive	6	1951	6.12	100¼	99	99	96½	100	97	98¼	—
Cons. Rubber	6	1946	5.83	100¾	88	102½	100½	—	101¾	102¼	101¾
Cedar Rapids	5	1953	5.27	97½	93	96½	94⅞	—	96¼	96	95
Dom. Canners	6	1940	6.18	97	93	99	95¾	—	97	99	98
Dominion Coal	5	1940	5.42	98¼	92	98	92	95¼	—	95¼	—
Nat. Breweries	6	1939	5.85	101½	97	101½	101¼	—	99½	101½	—
Penmans	5	1926	6.20	94¾	90	97	93¾	96	—	96¼	—
Quebec Rly.	5	1939	7.21	87¼	63½	78¾	69	—	75½	78¾	75
Wabasso	6	1947	6.28	94	89½	96¾	90¾	..	91	96⅜	—
Wayagamack	6	1951	7.15	88¾	71¾	86½	80½	—	86	86½	86
War Loan	5	1925	4.71	96.30	96.10	100.90	99.10	100.90	100.79	100.80	100.65
Do.	5	1931	4.78	99.90	96.25	101.80	99.80	——	101.50	101.70	101.50
Do.	5	1937	4.75	101.50	99.50	103.30	100.25	103.00	102.70	103.00	102.65
Victory Loan	5½	1923	4.28	100.70	98.75	100.95	100.25	100.75	100.60	100.75	100.45
Do.	5½	1924	5.04	100.75	98.00	101.40	100.25	——	100.65	101.00	100.55
Do.	5½	1927	4.78	102.70	99.75	103.50	102.35	103.40	103.15	103.50	103.05
Do.	5½	1933	4.79	104.35	101.25	106.70	104.40	106.00	105.80	106.10	105.70
Do.	5½	1934	5.14	101.45	98.80	103.90	101.30	——	103.10	103.45	103.20
Do.	5½	1937	4.77	106.25	103.00	108.40	106.50	108.10	107.80	108.10	107.70
Do., Renewal	5½	1927	4.97	101.10	99.40	102.80	101.00	102.30	102.10	102.05	101.90
Do., Renewal	5½	1932	5.14	101.10	99.70	103.00	101.00	103.00	102.70	102.95	102.40

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NEW ISSUE—
$100,000
CITY OF HULL
5½%
School Commissioners' Debentures
Maturing April 1, 1953
PRICE: 102.23
and accrued interest
Yielding 5.35%
Matthews & Co., Ltd.
Bond Dealers
Toronto General Trusts Bldg.
255 Bay St., Toronto

CIVIC AND PROVINCIAL FINANCE

GUELPH IS PAYING DEARLY IN SELLING RAILWAY TO HYDRO

Purchase Made With City's Own Funds and it Must Pay Deficits

The Gregory Commission report on the Guelph Radial Railway shows that city to be in a most peculiar position as a result of a complicated agreement, "a cumbrous and complicated agreement," is the term the report uses, made with the Hydro Electric Commission.

Briefly, the citizens sold their railway to the Commission for $150,000. The citizens were to have five-cent fares. On the other hand the city had to agree to meet all deficits of operation. There has been a deficit. Five-cent fares have been abandoned for six and still the people of Guelph are paying the Hydro Commission to purchase their railway, for the deficit is much greater than Hydro's payments, the 18-month deficit being $34,225 and Hydro's payment $17,550. Then, to add to the city's trouble, the city has to provide the Commission with the funds which the Commission pays to the city for the railway. Then there is the cost of rehabilitation. It was a truly Hydro estimate when the people were told that $197,000 would foot the bill, and the bill now totals $265,700 and is still mounting. Charges of inefficiency have not been infrequent in this regard.

The operating loss for the year ending Oct. 31, 1922, not including renewals was $23,574 and for 18 mos. $34,225 or more than 38% of the maximum yearly loss of $17,000 estimated by the Commission's engineers. Renewals' provision would have added $6,600 and the accumulated loss for 18 mos. to $40,825. As matters stood Oct. 31, 1922, the city found itself out of possession of its railway with a debit balance of $16,675 against it, besides the many capital charges and a 6c car fare. The probing commission points out that the liability of the city is not limited to deficits. The Commission may issue bonds to meet capital cost and the city must issue its own debentures and deposit them with the Commission as collateral for the purchase price of $150,000 and $150,000 for rehabilitation. The report emphasizes the peculiar position of the city by stating:

> "Thus the City, although the creditor of the Commission to the extent of $150,000 was required to issue its own debentures for that amount in order to guarantee the Commission that it would have funds out of which to pay the city."

The real position of the city is well set out in the following review of the situation as contained in the report:

> "It is difficult to understand why the involved and complicated procedure, which was taken to place the administration of the railway in the hands of the Commission, was adopted. The agreement entered into between the parties is lengthy and confusing to the lay mind. There was at the time the agreement was entered into, no legislative authority for making it, and to validate it a special act, at variation in some respects with the hydro radical act, was necessary. The city, under the agreement, received no financial benefit and placed its railway for a period of 50 years, subject to renewal, in the hands of the administrators in the personnel of which many changes must necessarily take place during this period and appointments may at some time be made to the commission unsatisfactory to the citizens of Guelph, Without remedial legislation which it might be difficult or impossible to secure, the city would be helpless.

Two important points raised in the report deal with the sinking fund reserve and renewal reserve. In the former case no fund is being created. It was decided to take full advantage of the law which allows the deferring of sinking fund payments for 10 years. In the meantime the bonds will expire in 1931 and will have to be renewed. The creation of this reserve would add materially to the deficit. A renewal reserve was started, as was the case with Windsor, and also abandoned. This also would have added to the deficit. This move is condemned by the report and by the auditors who went into the matter.

The report also deals with the increase in fares from 5 to 6 cents and also points out that the railway pays no provincial taxes. The report questions the right of the Hydro to use the general hydro fund and questions the right to employ these funds on other than power operations.

Winnipeg Retires Many Bond Issues This Year

The city of Winnipeg has been using the money in its sinking fund to retire debentures which fall due in the current year. Faced with the prospect of retiring bonds up to $1,737,000 this year, the largest amount of securities maturing at any one time for several years, the sinking fund trustees made arrangements to retire the debts rather than allow them to be refunded. Bonds for $1,000,000 for waterworks and $215,000 for local improvements were paid off in February and an issue of $448,000 for local improvements is being retired at the present time. The trustees expect to redeem a further issue of $74,000 in August. Many of the bonds being retired have been held in the sinking fund for some time as they were originally sold in London and the trustees bought them for the sinking fund when sterling exchange was heavily depreciated.

The policy of providing year by year for the retirement of outstanding bond issues is to be highly commended. Many issuing authorities have neglected to do this and, while the conditions did not show up for a time, the shortages were ultimately brought to light and caused serious embarrassment to the municipalities concerned.

BONDHOLDERS CANNOT STOP SALE OF LINES

Terms of Toronto Suburban Franchise Only Apply to Lines in City Limits

The sale to the city of Toronto of the Toronto Suburban Railway Company's lines within the city, which is now under consideration, has given rise to some objections on the part of bondholders. In reply to a question in the House of Commons the Minister of Railways stated that:

> "The Toronto Suburban Company's lines within the city of Toronto are governed by a franchise granted by the former town of Toronto Junction (now Ward 7 of the City of Toronto), which expired in 1921. Under their franchise, the former town of Toronto Junction, or the successors, had the right, upon notice, to take within the limits of the town at a valuation to be agreed upon and fixed by arbitration. The city of Toronto duly gave notice in 1921 of its intention to take over the franchise lines, and a tentative valuation was made between the two parties which has not yet been acted upon.
>
> "An objection was made on behalf of the bondholders that the whole of the lines of the Suburban Company, both inside and outside of the franchise limits, had to be taken by the city on the expiry of the franchise, but this objection was not maintainable. The bondholders are subject to the franchise terms to the same extent as the railway company, and while objection may be made, the direction, by the bondholders to the sale of lines or parts of lines, outside the franchise limits, within the franchise limits the consummation of the sale or taking over by the city depends only upon the fixing of the consideration to be paid.
>
> "The representation of the bondholders claim that they must be consulted and must agree to any value fixed or to any disposal of lines outside the franchise limits. In the correctness of this position the Railway Company concurs. The terms and the extent of the taking over are now under active consideration by the parties concerned, subject to the rights of the bondholders as stated."

Tenders and By-Laws

TENDERS WANTED

May 21, Three Rivers School Commission—$60,000, 5 and 5½%, 30 year debentures. Arthur Nobert, Treasurer. (See announcement on page 16).

May 15, Campbellton, N.B.—$115,000, 5½%, 25-year debentures. John T. Reid, Town Clerk.

May 14, Sherbrooke—$100,000, 5%, 20-year debentures. E. C. Gatien, Sec.-Treasurer.

May 15, Mun. of Ste. Madeleine d' Outremont—$60,000, 6%, 10-year debentures.

May 21, Hanley, Sask.—$3,500, 7%, 15-instal. debentures. A. Holm, Clerk.

May 21, Buckingham, Que.—$65,000, 5%, redeemable in 1950. David Roy, Sec.-Treasurer.

May 22, St. Dominique de Jonquieres—$100,000, 5½% and 6% serial bonds, maturing from 1923 to 1942.

May 22, Jonquieres, Que.—$46,200, 5, 5½ or 6% bonds redeemable 1924 to 1950.

May 14, Rock Island, Que.—$25,000, 5½%, 40-yr. bonds.

May 15th, Village St. Laurent Jacques Cartier—$75,000, 5½% bonds.

May 22, Bagotville, Que.—$60,000, 5½% debentures maturing in 1925.

BY-LAWS PASSED OR DEFEATED

Greenfield Park, P.Q., was empowered to borrow $70,000 for the installation of water and sewers on four main streets, by a vote of 117 to 1. The by-law will be presented to the Minister of Municipal Affairs of Quebec, as soon as possible for ratification, and authority will be sought to place bonds on the market.

DEBENTURE NOTES

Campbellford—Debentures for $68,000 for a new high school will be issued.

North York—The Township Council has authorized the Reeve to borrow the sum of $125,000 to proceed with the work on the new water system and debentures will be sold later on to raise money for this purpose.

Sherbrooke—The Protestant School Board at a recent session passed a resolution providing for the issuing of bonds to the amount of $100,000 for the purposes of erection and equipment of the new high school.

SASKATCHEWAN

List of authorizations granted by the Local Government Board from April 14 to April 28, 1923.

Abbnott, $4500; White, $4450; Elderton, $4000; Cut Knife, $5000; Mervin, $3400; Benson, $5000; Poplar Butte, $2650; Connaught, $1100; Waler, $2400; Connor, $4500.

Village of Hague, $2000.

Regina, 99.236.

Debentures reported sold from April 14 to 28, 1923:

Schools—Heart Hills, No. 2423, $4000, 15 yrs., 7% Waterman, Waterbury, Regina; Service, No. 4474, $3000, 10 yrs., 8%, Nay & James, Regina; Ashdown, No. 2382, $4300, 15 yrs., 7%, Geo. Moorehouse, Regina; Dubuc, No. 964, $8000, 20 yrs., 7%, Great West Life Assoc. Co., Winnipeg; Lawson, No. 2333, $4000, 10 yrs., 7%, C. C. Cross & Co., Regina; Flanderdale, No. 1774, $550, 5 yrs., 8%, Nay & James, Regina.

CANADA'S BANKING SYSTEMS STOOD THE TESTS OF EXPERIENCE

(Continued from Page 1)

be an adaptation of the Federal Reserve system of the United States, yet the system which comparatively recently was adopted by the United States seems to have been rather inadequately grasped by the draughtsman of Mr. Ladner's project. Under the head of "operation," Mr. Ladner's scheme says explicitly that the proposed Federal Reserve Bank (of Canada) should "have the right of open market operations in much the same way as is now done by the Federal Reserve Bank of the United States."

Not a National Bank

The meaning of this sentence is clear, although the construction of it is not grammatical. There is, however, no such institution as the Federal Reserve Bank of the United States. There are several Federal Banks which rediscount notes for other banks, but there is no Central Government Bank with the title Federal Reserve Bank.

The Federal Reserve system which the United States has adopted was intended to counteract the tendency towards dissipation through decentralization of liquid capital resources. The crisis of 1907 was due to the inability of the United States bankers to concentrate their forces on occasion. The power to do so had always been denied them on the ground that they might use such a power to the disadvantage of the public. But the crisis of 1907 showed that the public suffered more from the absence of the power to concentrate capital when the need for concentration arose, than from the risk of abuse of such a power.

Canada did not suffer from the crisis of 1907; nor has Canada ever suffered from a crisis due to absence of flexibility in her banking system. The system of branches and other features of the Canadian Bank Act give Canadian Banking a flexibility which the United States system cannot have under its present form. The Federal Reserve system is a device to do what the Canadian banking system already does, viz., to concentrate financial power in a few hands when the need arises. The United States system, however, is different from the Canadian system because of the power exercised by the political administration over the Federal Reserve Board. The mingling of politics and finance has been proved in many countries to be very dangerous to the liberties of the people and fear of danger of this kind has hitherto prevented the United States Congress from establishing a National Bank in the strict sense.

Wants a Political Bank

Mr. Ladner's proposal is in effect not an imitation of the United States Federal Reserve, but is a project for a political bank, controlled by politicians and managed on political principles. That this is intended to be the case is shewn by the composition of the directorate—six members being appointed or approved by the Government and four by the Chartered Banks.

It is scarcely necessary to treat this project seriously at the present time. The subject is a complicated one and that the promoters of the project have not worked out its implications, is evident. No sound practice in banking is beyond the sphere of the chartered Banks and no difficulty has been experienced in obtaining capital to carry on their business. If any such practice arose and if any such difficulty were experienced, the question of a Dominion Bank might become a practical one. The recently established Provincial Banks are devices not for giving credit to farmers, but for obtaining funds for the Provincial Governments, which they might have difficulty in obtaining in the open market. The cost of this accommodation to the people of the provinces remains to be seen. The establishment of a Dominion Bank might be counted upon to promote similarly expensive and disadvantageous borrowing on the part of the Dominion; as well as to induce precarious lending. There is an inevitable tendency on the part of a bank under political control to reward political favors by means of loans, and to dissipate funds which should be held in reserve.

It should be added that the banking system of a country which involves the tying up of monetary resources to a preponderating extent in local long-time loans, and provides slender external reserves is precarious in proportion to its magnitude. The Chartered Banks have in general avoided this error; a Federal Bank would be almost certain to succumb to temptation.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
May 5	Toronto Township	Gairdner, Clarke & Co., Toronto	5½%	30ins.	$ 50,000	102.432	5.28
May 2	Moose Jaw	C. C. Cross & Co., Regina	6&6½%	5-yr.	40,500	102.35	5.98
May 7	Waterloo	National City Co., Toronto	5½%	5, 10, 15-yr.	172,915	100.42	....
May 7	Etobicoke Township	Municipal Bankers Corp., Toronto	5½&6%	20&30-ins.	50,539	103.302	5.30
May 7	Stamford Township	Wood, Gundy & Co., Toronto	5½%	20-ins.	47,000	101.59	5.31
May 7	Hull, Que.	Wood, Gundy & Co., Toronto	5½%	30-yr.	88,000	100.59	5.42
May 8	Calgary Schools	Aemilius Jarvis & Co., Toronto	6 %	15-yr.	30,000	101.63	....
May 8	Port Dalhousie	Bain, Snowball, Toronto	5½%	20-ins.	12,500	100.358	5.46
May 5	Terrebonne, Que.	L. G. Beaubien & Co., Montreal	5½%	....	30,000	99.61	....
April 28	Sask. Schools, etc.	Various	.....	....	41,128	.....	....
May 9	St. Boniface, Man.	Brandon, Gordon & Waddell, New York	5½%	30-yr.	125,000	98.50	5.60
May 9	Dauphin, Man.	Brandon, Gordon & Waddell, New York	6½%	5-yr.	75,000	102.00	6.00

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain 7% pfd.	92¼	94
Do., com.	106	112½
Belding Paul, pfd.	87	90
Canada Mortgage	67	..
Can. Westinghouse, com.	129	..
Can. Machinery, pfd.	37	43
Can. Marconi Wireless	2.25	2.75
Cockshutt Plow, 7% pfd.	43	46
Can. Oil Companies, pfd.	96	98½
Do., com.	..	53
Commercial Finance, pfd.	70	76
Cosgrave Breweries	..	8½
Continental Life	105	..
English Electric, com.	18	20
Do., pfd.	74	..
Dom. Power & Trans. pfd.	92	..
Do., com.	40	42½
Dunlop Tire, 7% pfd.	86	..
Dom. Liners, pfd.	73	..
Eastern Theatres 7%, pfd.	68	72
Do., com.	7	10
Excelsior Life	31½	.
Farmers' Dairy	50	..
Fam. Play. 7% p. 50% com.	79	81
Gunns, Ltd., 6% pfd.	..	36
Great West Life	214	..
Durant Motors	8½	9½
Dominion Mfg., pfd.	58	..
Imperial Oil	110	115
Inter. Milling Co., pfd.	97½	..
K.&S. Tire 7% pfd. 25% c.	38	42
La Paz Oil	..	50
Lambton Golf Club	450	500
London Loan	46	51
Loew's Toronto, pfd.	62	64
Do., com.	36	40
Loew's London, pfd.	5¼	6
Do., com.	1½	2½
Loew's Buffalo, pfd.	50	54
Do., com.	1.25	1.75
Massey-Harris Co.	48	52
Manufacturers' Life 20%	56	..
Mercantile Trust	98	..
Mortgage Discount Units	..	11
National Brick, pfd.	46	..
Do., com.	10	12
National Life $25 paid	50¼	..
Northern Can. Power, com.	50	60
Ontario Equitable Life	..	30
People's Loan	60	..
Pantages, Hamilton 7% pfd.	33	..
Do., com.	2	3
Robertson P. L. Co.	25	35
Rolph Clark Stone, com.	15	..
Simpson, Robert 6% pfd.	89	91
Sterling Coal, com.	37	..
Sovereign Life	18	..
Sun Life Assurance	140	..
Toronto Brick, Co. pfd.	75	..
Trusts & Guarantee	76	80
Tiger Tire Units (1 pfd. 2 com.)	20	25
Western Grocers, 7% pfd.	..	57
Whalen P. & P. Co., pfd.	..	19
Western Assurance	7½	..
King Ed. Const. pfd.	95	100
Brit. Amer. Assurance	6	7
Can. Assoc. Goldfields	..	20
Can. Kirkland Gold	6	12

SUGAR EXPORT GROWS

The Canadian Sugar industry is developing a foreign market rapidly. During the past year the total shipments from Canadian refineries amounted to 316,651,937 pounds of refined sugar. Nearly twenty-seven countries in all parts of the world imported Canadian refined sugar last year.

PRODUCING 700 TONS DAILY

Spanish River Pulp & Paper is now producing over 700 tons of newsprint daily, the highest point in the company's history. Recently the employees were all granted an increase of 5 cents per hour.

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Yielding Over 6%

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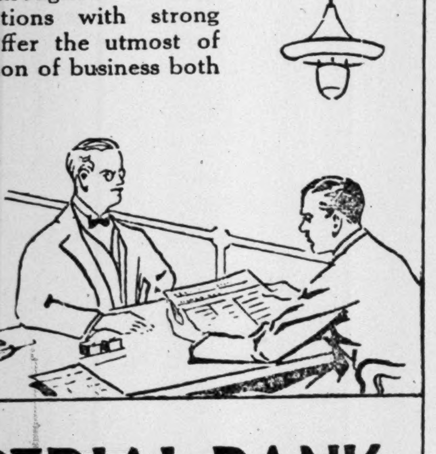

IMPERIAL BANK OF CANADA

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As applied to a Life Insurance Company, it means that the entire assets and revenues of the Company are vested in the Policyholders.

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It means that the burden of household protection is lessened to the Policyholder by just the amount which would otherwise have gone to Remunerate Shareholders for the investment of their funds.

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INSURANCE FOR BUYER AND SELLER

CAUSES OF MANY FIRE LOSSES ARE BEING LOCATED

April Losses Heavy—Quebec Fire Marshal Makes Report

The heavy fire losses which have been causing serious apprehension to fire insurance companies and others during 1922 and the early part of 1923, continued during the month of April. However, the first week of May has passed with fewer fires, and insurance men look for lower loss ratios in the future.

Much speculation as to the degree to which abnormal causes contribute to the situation is rife. The origin of many fires still remains unexplained. A fact which is pointed to by some fire insurance men in justification of their suspicions that many fires are intentional, is the heavy insurance carried on the buildings destroyed. During the month of March the total fire losses in Ontario were $2,296,972, the fires numbering 1,090. The insurance held on property destroyed amounted to $1,904,987, which is regarded as an exceptionally high ratio.

In cases where suspicion falls on the owners of a building destroyed by fire it is difficult for the insurance company to verify its suspicions, and without any definite proof of improper action a claim cannot safely be resisted. While fires may originate from ordinary causes and still prove difficult to explain, circumstances in some cases give ample ground for doubt. A case cited by a well-known insurance man is that of a claimant who set the replacement costs of a building at a sum slightly above the amount of insurance. Then, when the claim was paid, he sold the land and moved away instead of rebuilding.

In some districts a series of fires have occurred which indicate the presence of firebugs. In the city of London a number of mysterious fires took place. A local man has been apprehended and has admitted starting many of them, though the origin of some large ones is still in doubt.

Numerous fires which occurred in the Basilica and other Roman Catholic churches in the province of Quebec have been attributed to firebugs, among them being mentioned agents of the Klu Klux Klan. A report issued by fire marshal Eugene Leclerc rejects such theories. It finds the cause of the fire which destroyed the Basilica at Quebec in December was spontaneous combustion, and it states further that of the fifty-six fires in churches and religious institutions in the province during the past ten years the cause of all but four or five are definitely known. A combination of circumstances—the extensive employment of electric wiring, the burning of candles, the inflammable nature of much of the interior embellishments or temporary decorations, the fact that the sacred edifices are open to the public all day and for a part of the evening with no close check upon those who enter or leave—all operate to increase the fire hazards in churches. Much of the equipment is antiquated and many caretakers are too old to carry out their duties efficiently. While Canada has suffered an unusual run of bad church fires, the conditions in churches pointed out there are not unknown elsewhere, and the Canadian experience might profitably be taken as a warning to custodians of church property everywhere to guard against the conditions which have proved so costly and distressing.

Succession Duties Take Heavy Toll on Estates

The final returns of the estate of F. W. Woolworth, chain store magnate, show gross assets of approximately $30,000,000. After paying all taxes and administration expenses it was reduced to slightly over $20,000,000.

This serves as a concrete lesson to indicate why many wealthy men carry so much life insurance. Taxing bodies, realizing the ease with which inheritance taxes can be collected, have increased the rates levied and placed time limits, within which succession duties must be paid. Where the deceased is actively interested in any business it is often difficult to withdraw sufficient money to pay the taxes within the limit specified. To avoid this, many secure insurance to cover taxes, administration expenses, and running expenses of their families, leaving the main body of the estate free and permitting the sale of business interests, securities, etc., at the most opportune time.

CAUSES OF ACCIDENTS VARY

A large accident insurance company has kept a close record of the causes of deaths among its policyholders. The table below shows the varied nature of the accidents during 1922. Those killed included commercial travellers, bankers, accountants, physicians, car inspectors, telegraph operators, brakemen, etc. The table, which gives the percentage of deaths and the proportion in value of claims reads:

	No.	Amount
Automobiles	28.7%	33.0%
At home	24.8	20.7
Pedestrians	15.6	19.0
Sports and recreation	22.6	18.7
Travel	4.6	5.5
Miscellaneous	1.4	1.4
Horse and vehicles	1.5	1.2
Bicycles and Motorcycles	.8	.5

It will be noted that the amount of death claims due to automobiles is greater than the number of deaths, this being accounted for by the larger policies on the lives of those owning automobiles.

Benefits of Insurance Govern Tax Exemptions

Some uncertainty as to the deductions allowed for business insurance in its various forms, in making up tax returns, has arisen. Whether the premiums paid on insurance may be deducted as an expense, depends on where the benefits under the policy lie.

If a partnership places insurance on one or more of the partners in favour of the partnership, or a company places a policy on one or more of its employees in its own favour, the premiums are subject to the tax. In such cases the benefits, when paid after a death, are not subject to succession duties.

On the other hand, premiums on group insurance or any other form of policy made for the benefit of the insured or his dependents, heirs, etc., may be deducted as an expense, being regarded as additional salary or bonus. Should the company at any time realize any return on such policies by way of payment of death claims, cash surrender values, or profits, taxes must be paid in the sums realized, these being regarded as current revenue at that time.

LONDON PAYS WELL FOR MORTGAGE LOANS

Extensive Home-Building by Owners But Little on Speculative Basis

From Our Own Correspondent.

LONDON.—The building season here is smashing all previous records and if present figures are kept up will run close to $5,000,000 for the year. Higher costs of materials and labor are a factor in the situation, but there is a remarkably large amount of construction under way and architects are very busy with plans for still more work.

There is an unusually large amount of home building this spring and those with money to loan are finding it easy to place at 7 and 7½ per cent. The great majority of the homes being erected are to be occupied by their owners. Very little building of a speculative nature is being done and only a very small percentage of the homes being built are cottages or workingmen's homes. It is practically impossible to find a small, modern, medium priced home in the city for rent. This situation is engaging the attention of some of those with capital to invest, but high building costs and the scarcity of artisans is resulting, so far, in their doing nothing but considering.

Loan Companies Invest Their Cash in Bonds

Increased investments in municipal debentures and government bonds and a reduction in holdings of cash are shown in the quarterly returns for loan companies operating under Ontario charters, as made to the registrar, V. Evan Gray. The following summary covers thirty-four companies for the period ending March 31:

	Mar. 1923	Previous Quarter
Trust deposits	$ 8,910,944	$ 8,549,784
Spec. Guar. Inv.	17,438,469	16,992,758
Gen. Guar. Inv.	10,026,580	10,212,034
Total Funds	36,375,995	35,754,577
Cash	1,101,805	1,626,639
Can. Bonds & Sec.	2,734,160	2,592,066
U. K. Bonds	74,912	88,085
Municipal Debs.	3,407,417	2,903,126
Sch. & Tel. Debs.	1,389,229	1,557,190
Mortgages	24,047,668	28,830,305
Demand Loans	1,930,170	1,440,460
Sec. not author. as Trustee Inv.	1,704,858	1,728,114
Total Invest.	36,390,223	35,765,987

The return for the seventeen trust companies operating in the province shows a considerable increase in total investments including trust deposits, mortgage investments, are reduced. Following is a summary:

	Mar. 1923	Previous Quarter
Total Deposits	$37,669,924	$37,877,287
Cash	4,901,191	6,336,293
Gov. Bonds	10,873,814	9,861,877
Municipal Debs.	4,432,756	3,956,035
Demand Loans	984,230	788,015
Cash Securities & Loans	21,191,992	20,942,220
Percent. of Cash, etc. to deposits	56.26	55.29

LEGISLATION MAKES ADJUSTMENTS OF INSURANCE EASY

Restrictions Against Beneficiary Changes Removed in Most Provinces

Speaking at the 1923 Educational Congress of the British Columbia Life Underwriters' Association recently in Victoria, H. Despard Twigg commented on the restrictions in changing insurance beneficiaries as follows:

"British Columbia is the only province in the Dominion that has no provision in law to allow the changing of beneficiaries. Such action cannot be done unless there is a specific clause inserted in the contract to that effect. Of course the lack of such law can be circumvented but it is a costly proceeding and there is no good reason why a clause making the alteration of beneficiaries easy could not be inserted in the regulations."

The common law doctrine is that the appointment of a beneficiary to an insurance policy involves the creation of a trust and cannot be revoked without the consent of the beneficiary. In the case of what are known as preferred beneficiaries, usually consisting of the insured's wife, children, grand children and mother, the common law ruling still holds. In all the provinces except British Columbia and Quebec legislation has been passed retaining for the insured the right to change the beneficiary at will when the original beneficiary is outside the preferred class. Insurance men have in the past paid too little attention to the legal restrictions applying to beneficiaries and as a result many of those insured have later experienced difficulty in arranging readjustments. In recent years a great deal of insurance legislation has been passed to secure the interests of those insured and changes being made in British Columbia, it is hoped, will rectify some apparent injustices.

Those purchasing insurance should, if possible, have the beneficiaries and the portion of each definitely named in the policy.

Ontario Safety League Had Excellent Year

The Ontario Safety League had a good year in 1922, and shows considerable progress in its various activities. Much is made of the important fact that though Toronto's population jumped 91,000, and autos increased from 5,000 to 37,000 since 1913, the year immediately preceding the League's organization, there were 60 less accidents in 1922 than in 1913. Propaganda, the ever driving home of "safety first" slogan, the pointing out of the cost of careless acts in every walk of life, is the main stock in trade of the League. The distribution of literature on safety, steadily increases to schools, factories, car drivers, etc. Pamphlets, etc., sent out in 1922 totalled 1,033,685. Numerous competitions were conducted.

Receipts during the year totalled $29,100, the province giving $10,000 and Toronto $2,000 for 1921-22. Membership and general collections totalled $10,225. The League spent $12,829 on its general campaign work; $11,000 on office expense. Cash on hand and in bank, including $2,350 reserve, totals $2,996. Supplies, etc., make up the balance.

No Gasoline Price War, Says Standard President

Walter Clarke Teagle, president of Standard Oil Co. of New Jersey, flatly denied press reports that Standard Oil is back of break in prices of oil stocks in an effort to put independent producers out of business and thus control big mid-continent producing field.

In a general discussion of oil trade conditions, he stated the two reductions in gasoline price of one cent a gallon each, recently made by his company, were due not to any oil fight, but to workings of the law of supply and demand due to large production of crude oil in California.

Insurance Companies Find Heart Trouble Cause of Many Deaths

Readers of the daily papers are forcibly impressed with the frequent reports of sudden deaths from heart trouble, which carries off many of the most active, prominent and successful business men. According to the medical directors of some of the larger insurance companies in America, heart disease has, during recent years, become the most important of the causes of death reported to life insurance institutions. In the United States and Canada last year there were about 180,000 deaths, roughly speaking, from this cause, and they were not by any means limited to old people. Among insured persons about 5% of these deaths were among children under 15 years old, and fully 30% of them involved persons under 50 years of age while the average age of insured persons who die from heart disease is 56.

Notwithstanding that the splendid record of deaths during 1921-1922 showed a remarkable advance in public health history, indicating a steady improvement in the death-rate from conditions other than acute respiratory diseases, these deaths constitute the chief source of the life waste in late years, and their prevention is the real problem of the public health movement of to-day. The records show that every year from 7% to 10% of the total number of applicants for life insurance are rejected or postponed; these medical examinations suggest opportunities for special service to policyholders and applicants, not hitherto developed by insurance companies. For instance, where the medical findings are so positive and indisputable that disclosure would not involve opposition, ways could be found for informing disappointed applicants of the causes of rejection and wherever possible helping them back to restored health. Some good companies have found it profitable to induce their policyholders to be examined periodically—say yearly—at the company's expense. Those examined in 1914 and 1915 for the next five years showed a mortality 28% more favorable than that for the entire ordinary department during the same years. The saving yielded a return of double the amount of its cost. In addition these health-promoting services make permanent good-will and often new business for the companies, instead of resentment and hostile criticism, when follow-up and free examinations are not made. We know of only two Canadian companies which make this a special feature in their canvass.

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WESTERN EMPIRE
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Branch Offices:
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Western Assurance Company
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CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
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TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

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PAYING FRANCE'S REPARATIONS IN KIND A FAILURE

Germans Ignored What Orders the French Sent On

OTHERS DID BETTER

Britain and Other Countries Got Larger Portion of Their Orders Filled

Reparations in kind, a proposal put forth by which Germany would pay her reparations by the delivering of industrial products, failed absolutely in so far as France is concerned. This is proven by figures recently issued in France. Germany in 1922 was to deliver to the Allies material of all sorts to a value of 1,450 million gold marks. France was to have got 950 millions.

But the Germans ignored the agreement and the French were not enthusiastic. The Germans, instead, are flooding the countries of the world with their products. France actually got 209 millions worth of goods and 181 millions worth was coal, while of the balance, the bulk came under various clauses of the treaty with reference to restitution of materials and livestock and delivery of ships and dye-stuffs, leaving the paltry sum of 2,370,000 marks, as the value of the material that might in any way compete with German industry.

On the other hand, Britain and Jugo-Slavia got more than their share, Italy three-quarters and Belgium half.

The figures as published in the Manchester Guardian follow:

	Nominal	Actual
France	950,000,000	209,064,000
Great Britain .	120,000,000	167,851,000
Italy	146,154,000	107,702,000
Belgium	116,923,000	65,646,000
Jugoslavia . . .	73,077,000	116,873,000
Rumania	16,077,000	2,102,000
Portugal	10,961,000	4,414,000
Greece	5,846,000	4,519,000
Japan	10,961,000	489,000
Total	1,450,000,000	681,173,000

It is of interest to note that under the Bemelmans-Guntze agreement—which was due to the desire of the Reparations Commission to extend the benefits of the original Loucheur-Rathenau Convention between France and Germany to all the other allies, and which served as a model for the modification of the Loucheur-Rathenau Convention itself, as contained in the Gillet-Guntze agreement — the only countries to benfit have been Portugal, Rumania and Belgium to the extent respectively of 4,240,000, 2,071,000, and 776,000 gold marks. The bulk of the deliveries to Great Britain was in shipping (35,000,000), while annex ii. of the treaty, giving general permission to the Allies to accept material instead of cash, served Jugo-Slavia to the extent of 106,000,000 marks gold and Italy to the extent of 22,000,000, the other chief items on the Italian account being 56,000,000 for fuel and 25,000,000 for restitution of material and live stock.

In short, all the attempts to facilitate deliveries in kind instead of cash resulted in transactions with four countries only to the total value of less than 10,000,000 marks gold. On the other hand, annex ii. of the treaty, unaided, produced results in the case of six countries to the total value of nearly 135,000,000, though the French share was only 876,000.

Cause of Failure

It is pointed out that before the reasons for the failure of the Franco-German Agreement can be traced it should be shown how many orders were sent to Germany under it and how many were refused. However, it is fairly certain that orders were slow and not numerous. Naturally French industry did not encourage them. On the other hand, it has been more or less proved that German responses to these orders were not too favorable from the point of view of prices. In brief, it may be doubted whether there was any wholehearted attempt on either side of the Rhine to make the convention work.

Sooner or later it is obvious that reparations in kind will come to the fore again. Probably the arrangements existing will be revised to meet French industrial objections, at least in part. But it remains certain that unless there is goodwill on both sides no arrangement whatever will succeed. On the French side the existence of that goodwill must depend on recognition of the fact that, since cash can only be got in moderate measure and with long delays, it is to the interest of the country to get kind; from the German side co-operation can only come if the total reparations demands are such as may be considered at least practicable, if not just. Incidentally the experiment of employing German labor in the devastated regions will probably be made. It was never tried last year, but sentiment in France seems to be growing in its favor.

Opening for a Further Trial

That there is still opportunity for German material and labor in the war zone is shown by figures published in the "Journal Officiel" in reply to a question in the Chamber. The Ministry of the Liberated Regions stated that a little less than half the capital sum due for war damages had been settled on December 31 in the form of advances or instalments in cash or kind, delivery of Rentes, and contracts for payment by annuities. The figures (in millions of francs) are:

Approximate Claims to be Paid	
Requisitions	8,769.8
Personal property	18,407.9
Real property	58,611.6
Total	85,789.6
Total of Settlements Effected on Capital of Claims	
Personal property	12,903.3
Real property	28,361.8
Total	41,265.2

The investment house of Jackson, Norton & Company, Toronto, will in future be known as Jackson & Company, Ltd The policies and aims will be unchanged and the management will continue in the hands of Roy O. Jackson, who has been sole partner since September, 1922.

The industrial property claims settled are given as 14,221,778,000 francs and the non-industrial as 11,140,180,000, but one or other of these figures is in error, since the total would then be 3,000,000,000 less than that given above. In the total claims the Nord Department figures for 25,700,000,000 and the Aisne for 15,800,000,000 francs, the Pase-de-Calais following close with 13,450,000,000.

According to the an unofficial but reliable calculation by M. Edmond Michel, communicated to the Statistical Society of Paris, the State expenditure up to October 31 last must be as follows:

Damage to property	41,354,000,000
Damage to persons (pen.)	32,000,000,000
State buildings, etc. . .	7,195,000,000
Reorganization of public services	2,150,000,000
Various interest paid . .	1,200,000,000
Various assistance	1,300,000,000
Costs of administration .	800,000,000
Interest on advances by France on Germany's account	12,000,000,000
Total	98,000,000,000
There remain to be paid:—	
Capital (actual value) of pensions	35,000,000,000
Damage to property . .	43,645,000,000
State buildings, etc. . . .	2,905,000,000
Various	2,450,000,000
Total	84,000,000,000

Additional Important Changes in Bank Act Are Now Prepared

(Continued from Page 9)

cluded in such list or lists of whose appointment to be an auditor of a bank they may disapprove, together with the reasons for such disapproval, and if the Minister is satisfied that such reasons are good and sufficient, he shall remove the name of any such persons from such list or lists.

(4) By striking out subsection 4 and submitting:

(4) The Minister may, not later than the thirteenth day of September next following, remove from such list or lists the name of any person of whose appointment to be an auditor of a bank he may disapprove.

(5) By striking out subsection 5 and substituting:

(5) The Minister shall, as soon thereafter in each year as may be convenient, cause to be inserted in two successive issues of the Canada Gazette a public notice containing the names and other particulars of persons included in such list or lists and not removed therefrom by the Minister, and the persons included in such published notice shall be deemed qualified for appointment as auditors of a bank.

(6) By striking out subsection 6 and substituting:

(6) The shareholders shall at each annual general meeting appoint two persons, not members of the same firm, whose names are included in the last published list, to audit the affairs of the bank; but if any person acted for four years in succession as auditor of the affairs of any one bank, or if any member or members of the same firm have either or in the aggregate acted for four years in succession as auditors respectively of the affairs of any one bank, such person or any member of such firm shall not be appointed to audit the affairs of such bank until a further period of one year shall have provided, however, that one such person or any member of one such firm may be appointed during the two years next ensuing after the passing of this Act.

(7) By striking out sub-section 8 and substituting:

(8) The remuneration of auditors shall be fixed by the shareholders of the bank at the time of their appointment, and in the event of any vacancy and the appointment of another auditor under the next preceding sub-section, the remuneration so fixed shall be divided between them as the directors shall consider just and reasonable.

(8) By striking out sub-section 16 and substituting:

(16) No auditor and no member of any firm of auditors shall be eligible for appointment as auditor of a bank hereunder for a period of two years, if he or any member of his firm while acting as auditor of a bank accepts any retainer or undertakes any employment on behalf of, or at the instance of any such bank, or any officer thereof, whether at the expense of the bank or not, other that that of auditor hereunder.

No person shall be appointed an auditor of the bank, if such person or any member of his firm, is a director or officer of the bank.

6. That Section 76 be amended by striking out paragraph (d) of Subsection 2 the words, "and not exceeding ten thousand dollars," at the end of the said paragraph:

7. That Section 117 be amended as follows:

(1) By striking out sub-section 1 and substituting therefor the following:

(1) Every return provided for or required under the last preceding section shall be accompanied by declarations that shall be a part of the return, and the declarations shall be in the form set forth in schedule G to this act, and shall be signed by the chief accountant, or by the acting chief accountant and by the president, or a vice-president, or the director then acting as president, and by the general manager, or other principal officer of the bank next in authority in the management of the affairs of the bank at the time at which the declaration is signed, and the persons respectively who sign the said return shall be deemed to be responsible for the truth of the facts certified by them in their respective declarations.

(2) By striking out of sub-section 4 all the words after "return" in line nine down to the end of the said subsection.

(3) By striking out paragraph (a) of sub-section 5 and submitting:

(5a) The borrower has not for a period of two years preceding the date of such return, statement or balance sheet, paid the interest therein at the rate agreed in cash, unassisted by the bank.

(4) By striking out sub-section 6 and substituting:

(6) Whenever a bank carries on any part of its operations in the name of a corporation controlled by such bank, then such bank shall, for the purposes of any return required under the last preceding section, transmit or deliver therewith, a separate return, showing the assets and liabilities of each such corporation, and the interest of the bank in such corporations shall be shown separately in any return respecting the affairs of the bank.

8. That Schedule G be amended as follows:

(1) By striking out item No. 13 under the heading of "Assets," and substituting:

(13) Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover.

(2) By striking out item No. 14 under the heading of "Assets," and substituting:

(14) Call and short loans (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover.

(3) By striking out item No. 20 under the heading of "Assets," and substituting:

(20) Non-Current Loans.

(4) By re-numbering item No. 27 under the heading of "Assets," as No. 28 and by inserting as Item 27 under the heading of "Assets," the following:

(27) Shares of controlled companies.

9. That sub-section 7 of Section 114 be amended by striking out the first four lines and substituting the following:

"The notice called for by the next preceding sub-section is required to be given twice, namely, during the month of January next after the end of the first two year period and also during the month of January next after the end of the first five-year period in respect of which ......"

10. That Section 122 be struck out and the following substituted:

(122) The curator or liquidator shall make all returns and reports, and shall give all information to the Minister touching the affairs of the bank, that the Minister requires of him, 63-64 V., c. 26, s 28.

11. That Section 153 be amended by striking out of paragraph (d) the words "and not exceeding ten thousand dollars" at the end of said paragraph.

12. That Section 153 be amended as follows:

(1) By striking out sub-section 3 and substituting therefor:

(3) Every president, director, auditor, general manager or other officer of the bank who knowingly prepares, signs, approves or concurs in any return respecting the affairs of the bank provided for or required by section 112 of the Act which does not set forth the true financial position of the bank on the last juridical day of the month last preceding the date of the return according to the latest information possessed by or reasonably available to him or any knowledge respecting the true financial position of the bank which by the requirements of this Act should have been set forth in the return, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case prescribed therefor, by punishment for a term not exceeding three years. 53 V., c.31, s,99, Am; 3-4 G. V., c, 9. 153. Am.

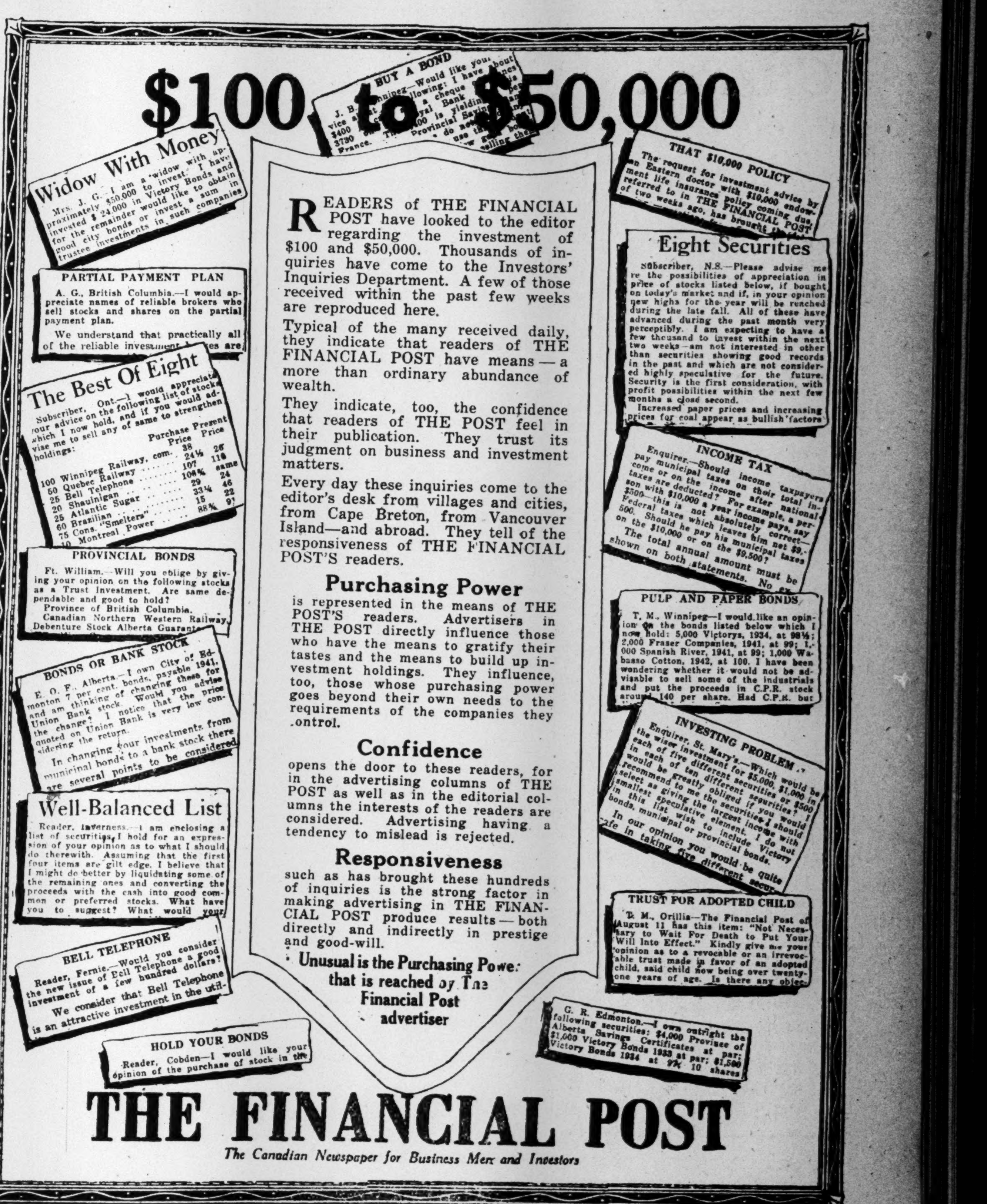
BUILDING BOOM IS MUCH IN EVIDENCE

Index Shows Costs Rising But New Projects Steadily Appear

Contemplated building activities, added to work already undertaken this year indicates that 1923 will be the biggest year since the 1912-13 boom years. Four months' total is $164,198,200 as compared with $102,603,500 in 1922, a 60% increase, according to MacLean Building Reports.

The index of building costs continues to rise and it would seem as though large building investors had determined to go ahead with construction in spite of increased cost. Manufacturers in the building field are co-operating with buyers. Labor, as always, is subject to the basic control of supply and demand. In several of the trades shortage is anticipated. It is probable, however, that the average cost of labor will continue approximately on the basis of labor costs as in the spring of 1922, with some increases. The demand for labor and material will be great. The steel industry is sold up for four or five months ahead. Lumber stocks are not large. Under such conditions reductions in prices cannot be expected. The consensus of opinion is that construction is as cheap to-day as it will be at any time during the next two or three years.

A paint manufacturing establishment has been organized and put into operation at Calgary. The Herbert Paint Company, the name by which the new company is known, is capitalized at $100,000 and its plant will have a capacity of 1,000 gallons an hour of liquid paints and shingle stain and 160 gallons a day of shellac.



$100 to $50,000

BUY A BOND
J. B., Winnipeg—Would like your advice about the following: I have about $400 in a cheque on Royal Bank, 3730 ... is yielding ... Provincial Savings ... France. ... do not ... use the ... bonds ... selling them.

Widow With Money
Mrs. J. G.—I am a widow with approximately $50,000 to invest. I have invested $24,000 in Victory Bonds and for the remainder would like to obtain good city bonds or invest a sum in trustee investments in such companies

PARTIAL PAYMENT PLAN
A. G., British Columbia.—I would appreciate names of reliable brokers who sell stocks and shares on the partial payment plan.
We understand that practically all of the reliable investment houses are

The Best Of Eight
Subscriber, Ont.—I would appreciate your advice on the following list of stocks which I now hold, and if you would advise me to sell any of same to strengthen holdings:

	Purchase Price	Present Price
100 Winnipeg Railway, com.	38	26
50 Quebec Railway	24½	118
25 Bell Telephone	107	same
20 Shawinigan	108¾	24
25 Atlantic Sugar	29	46
60 Brazilian	33¼	22
75 Cons. "Smelters"	15	9[illegible]
10 Montreal Power	88¾	

PROVINCIAL BONDS
Ft. William.—Will you oblige by giving your opinion on the following stocks as a Trust Investment. Are same dependable and good to hold?
Province of British Columbia.
Canadian Northern Western Railway.
Debenture Stock Alberta Guaranteed

BONDS OR BANK STOCK
E. O. F., Alberta.—I own City of Edmonton 7 per cent. bonds, payable 1941, and am thinking of changing these for Union Bank stock. Would you advise the change? I notice that the price quoted on Union Bank is very low considering the return.
In changing your investments from municipal bonds to a bank stock there are several points to be considered

Well-Balanced List
Reader, Inverness.—I am enclosing a list of securities I hold for an expression of your opinion as to what I should do therewith. Assuming that the first four items are gilt edge, I believe that I might do better by liquidating some of the remaining ones and converting the proceeds with the cash into good common or preferred stocks. What have you to suggest? What would your

BELL TELEPHONE
Reader, Fernie.—Would you consider the new issue of Bell Telephone a good investment of a few hundred dollars?
We consider that Bell Telephone is an attractive investment in the util-

HOLD YOUR BONDS
Reader, Cobden—I would like your opinion of the purchase of stock in the

READERS of THE FINANCIAL POST have looked to the editor regarding the investment of $100 and $50,000. Thousands of inquiries have come to the Investors' Inquiries Department. A few of those received within the past few weeks are reproduced here.

Typical of the many received daily, they indicate that readers of THE FINANCIAL POST have means — a more than ordinary abundance of wealth.

They indicate, too, the confidence that readers of THE POST feel in their publication. They trust its judgment on business and investment matters.

Every day these inquiries come to the editor's desk from villages and cities, from Cape Breton, from Vancouver Island—and abroad. They tell of the responsiveness of THE FINANCIAL POST'S readers.

Purchasing Power
is represented in the means of THE POST'S readers. Advertisers in THE POST directly influence those who have the means to gratify their tastes and the means to build up investment holdings. They influence, too, those whose purchasing power goes beyond their own needs to the requirements of the companies they control.

Confidence
opens the door to these readers, for in the advertising columns of THE POST as well as in the editorial columns the interests of the readers are considered. Advertising having a tendency to mislead is rejected.

Responsiveness
such as has brought these hundreds of inquiries is the strong factor in making advertising in THE FINANCIAL POST produce results — both directly and indirectly in prestige and good-will.

Unusual is the Purchasing Power that is reached by The Financial Post advertiser

THAT $10,000 POLICY
The request for investment advice by an Eastern doctor with $10,000 endowment life insurance policy coming due, referred to in THE FINANCIAL POST of two weeks ago, has brought

Eight Securities
Subscriber, N.S.—Please advise me re the possibilities of appreciation in price of stocks listed below, if bought on today's market and if, in your opinion new highs for the year will be reached during the late fall. All of these have advanced during the past month very perceptibly. I am expecting to have a few thousand to invest within the next two weeks—am not interested in other than securities showing good records in the past and which are not considered highly speculative for the future. Security is the first consideration, with profit possibilities within the next few months a close second.
Increased paper prices and increasing prices for coal appear as bullish factors

INCOME TAX
Enquirer.—Should income taxpayers pay municipal taxes on their total income or on the income after national taxes are deducted? For example, a person with $10,000 a year income pays, say $500—this is not absolutely correct—Federal taxes which leaves him net $9,500. Should he pay his municipal taxes on the $10,000 or on the $9,500?
The total annual amount must be shown on both statements. No ex-

PULP AND PAPER BONDS
T. M., Winnipeg—I would like an opinion on the bonds listed below which I now hold: 5,000 Victorys, 1934, at 98½; 2,000 Fraser Companies, 1941, at 99; 1,000 Spanish River, 1941, at 99; 1,000 Wabasso Cotton, 1942, at 100. I have been wondering whether it would not be advisable to sell some of the industrials and put the proceeds in C.P.R. stock around 140 per share. Had C.P.R. but

INVESTING PROBLEM
Enquirer, St. Mary's.—Which would be the wiser investment for $5,000, $1,000 in each of five different securities or $500 in each of ten different securities? I would be greatly obliged if you would recommend to me the securities I should select as giving the largest income with smallest speculative element. I do not in this list wish to include Victory bonds, municipal or provincial bonds.
In our opinion you would be quite safe in taking five different secur-

TRUST FOR ADOPTED CHILD
T. M., Orillia—The Financial Post of August 11 has this item: "Not Necessary to Wait For Death to Put Your Will Into Effect." Kindly give me your opinion as to a revocable or an irrevocable trust made in favor of an adopted child, said child now being over twenty-one years of age. Is there any objec-

G. R. Edmonton.—I own outright the following securities: $4,000 Province of Alberta Savings Certificates at par; $1,000 Victory Bonds 1933 at par; $1,500 Victory Bonds 1934 at 9⅞ 10 shares

THE FINANCIAL POST
The Canadian Newspaper for Business Men and Investors

MIXED FARMING NEED OF WESTERN CANADA

President of Union Bank Discusses Prairie Problems in England

W. R. Allan, of Allan, Killam & McKay, Limited, Winnipeg, and president of the Union Bank of Canada, when seen by a representative of the Canadian Gazette, in London, spoke of conditions in Western Canada:

"The 1922 large wheat crop, aggregating in the West 399,700,000 bushels from 22,422,000 acres, has assisted many farmers to improve their position. While the record grain crop has not resulted in as great a betterment in general conditions as was anticipated by many, yet there is today a marked improvement. Approximately 250,000,000 bushels of the 1922 Western Canada wheat crop were marketed in the first four months of trade—a record in the history of the Canadian West, and a great credit to the railways. Livestock men are encouraged by the lifting of the British embargo on cattle and by the price improvement in local stockyards of mutton and hogs. With grain at present prices hogs to-day are a profitable product. The butter production in 1922 showed a substantial increase; and exports of Western Canadian butter are now an important factor. Eggs, again, are becoming a considerable item in exports—the export last year was valued at $727,942, an increase of $640,000 over the figures of the preceding year. Wool also shows a satisfactory increase.

"The most pressing and immediate problem in Western Canada is the settling of immense areas of vacant farm land within reasonable distance from existing railroads. An increase in the productive farming population is the surest means of reducing taxation and freight rates. In respect of the immigration problem, I am no believer in the theory that all immigrants should be trained agriculturists to be successful. Personally I would rather teach an amateur than a professional trained in a country where conditions are completely different from those in the country to which he comes as a settler. I could instance a young couple who went out to Canada in 1919—the man absolutely ignorant of farming and his wife with no knowledge of housework. They worked with a farmer for a year, and now own their own farm and are making good. Not only so, but they are enjoying their life in spite of the hard and unaccustomed work they are doing. What we need is a system of getting hold of our immigrants and caring for them and teaching them and so saving them from going adrift. The public schoolboy from England, if rightly handled on his arrival in Canada, makes a splendid settler, and, as I have already said, it does not matter that he knows nothing of agriculture; he will be all the easier to teach.

Brown Corporation, La Tuque, Que., contemplate the erection of a paper mill at St. Angle de Laval. Geo. Boswell, St. Genevieve Street, Quebec, is the manager of the company. The mill when complete will cost about $5,000,000.

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THE STERLING TRUSTS CORPORATION

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A. W. BRIGGS, K. C. ....Vice-President
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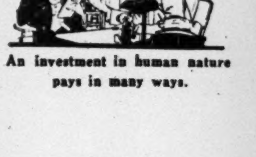
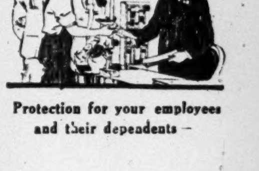
CHAS. BAUCKHAM ....Managing-Director

12 King St. E., Toronto. Branch Office—Regina: Lorne Johnson, Manager.



An investment in human nature pays in many ways.



Protection for your employees and their dependents –

Develops better interest and co-operation.

Your Dividends

Where do they come from?
Are they all from investment in stocks, machinery, etc.,—
Or—have you made an investment which returns "Human Interest"?

Group Insurance
pays dividends. It pays in many ways—but more particularly in dividends of loyalty—co-operation and greater interest in work.
Then, too, it enables you to give your employees something they very often cannot obtain for themselves.
It protects their families from want in case of disability or death.
It reduces your obligation to a business basis.
It avoids "passing the hat" and solves the problem of what you can do to relieve the distress of bereaved dependents—thereby clearly defining the limit of your obligation.
You will be under

No Obligation Whatever
in asking how Group Insurance can be applied in your own case —and the cost is so low as to surprise you.

Write for particulars To-day.

Canada Life
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IN order to better serve our Candian subscribers we have opened local offices at 304 Manning Chambers, Toronto.

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Gives clearly and briefly an intimate hour-to-hour view of the market, explaining movements and fluctuations, daily averages, dividend declarations, and influencing events of the day.

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Designed to fulfill the requirements of conservative stock trading on a business basis. Consistent profits rather than hap-hazard speculation is the aim of this service.

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CRAM'S
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Adelaide 1566

STOCK OF HILLCREST COLLIERIES TO FRONT

Alberta Coal Movement Calls Attention to Position of This Company

Intensive development of the coal resources of Canada has become a pressing problem in view of the acute shortage of the commodity and high prices. With a vast supply of its own, the Dominion has been importing over 50% of its requirements from the United States. In meeting a constantly growing demand, the coal fields of Western Canada have already a substantial accomplishment to their credit and large possibilities for the future. Three years ago Alberta reached first place among the coal producing provinces and it is in this province, on the Crow's Nest Pass branch of the C. P. R., that the properties of Hillcrest Collieries Limited, are situated, says Greenshield's bulletin, in reviewing the 7% stock of this company, which has been in successful operation since 1910 and averages normally a production in excess of 30,000 tons a month, of which about 80% is taken by the C. P. R. As the principal seam operated is estimated to have 34,000,000 tons of coal and the combined tonnage of two other seams approximately the same amount, it is reasonable to expect a long and profitable life for the company. The capitalization is: 5% bonds due 1940, $325,000; 7% preferred stock, $705,700; common stock, $1,000,000.

Management: The company is under the direction of a conservative board of directors of large experience in industrial affairs. Sir Charles B. Gordon, G.B.E., is president and Charles Meredith, vice-president, with the other members of the board, Sir Herbert Holt, M. P. Davis, J. M. Mackie, G. H. Duggan, R. G. Drinnan, C. P. Hill and C. R. Hamilton. Mr. Duggan was formerly manager of Dominion Coal Company, Ltd.

Earnings: Subject to inevitable fluctuations in general trade the company has continued to report steady progress since incorporation in 1910. Net profits available for dividends averaged in the eight years to December, 1922, in excess of 15% on the preferred stock, or more than double the requirements. The record for this period follows:

Year	Net Profits	% on Pref'd
1922	$110,480	15.7
1921	117,414	16.6
1920	175,424	24.9
1919	121,979	17.3
1918	109,687	15.5
1917	74,962	10.6
1916	75,007	10.6
1915	79,456	11.3

Finances: Freedom from floating debt has been a consistent feature of the company's balance sheet. Current liabilities on December 31, 1922, were only $134,906 made up of ordinary trade accounts payable, interest accrued, etc., and were more than covered by accounts receivable, $174,823, apart from cash, supplies and investments of $441,638. Total current assets at $615,865 were 4½ times all current liabilities.

DENMARK'S BACON DELIVERS BLOW TO CANADIAN PRODUCT

Ships Large Supplies to Britain and Forces Price Down

CONDITIONS NOT GOOD

Packing Industry in Canada Somewhat Overdeveloped —Costs Are Being Pared

The rather serious trade conditions which have faced the Canadian meat and packing industry for the last few years have been aggravated of late. The export trade, especially that in bacon to Great Britain, has been stripped of all its profits by the entrance of a keen competition from Denmark. The Canadian packers are maintaining their volume of business in the British market. It is costing them money to do so, however; profits have been sacrificed and actual losses are now being taken.

Conditions have been difficult for some time with the industry. There have been practically no profits. With Denmark sending heavy bacon shipments to the British Isles the situation has been made worse. Practically every firm in the business has facilities much greater than needed for the successful handling of their present trade. In fact, it has been stated that practically all have double the capacity they require. The result is that there has been a keen eye to expense and a serious cutting down of staffs.

The future of the industry is entirely wrapped up in the development of a successful export trade. This has been known and grappled with in divers ways for years. The present facilities are not only much greater than those required for Canada for many years to come, but also for the present export trade. Extensive experiments were carried out in the hopes of Canadian packers entering the chilled beef export. It was a costly experiment but not without its value. It gives promise of future development. Such meat, it is claimed, retains all the qualities of fresh meat and is ready for immediate use, while frozen beef has to be thawed out. The British market gives promise of development in this regard. British imports of chilled and frozen meat for five years follow:

	Chilled	Frozen
1902	1,468,000	686,000
1913	2,991,000	2,616,000
1915	1,518,000	4,069,000
1918	82,000	3,911,000
1920	510,000	4,809,000
1921	1,883,000	5,101,000

The figures indicate clearly that the British market is to-day in the hands of the frozen meat importers, they having steadily displaced the buyers of chilled meats.

The Living Wage

And a "living" wage in one part of the country is entirely different from that of another. Large cities are more expensive to live in, than in the country districts. So we feel that the Railroad Labor Board was exactly right when it declared the phrase "a living wage" to be an "abstract, elusive thing." A "living" wage for one workman might be affluence for another. In hundreds of different places there would be a hundred "living wage" standards for a hundred different individuals. A recent writer in the Saturday Evening Post, Abe Martin, has aptly summed up this question, as follows, in part:

"We're hearin' a whole lot about a livin' wage these days, but who's goin't'say what a livin' wage is? Surely not some ambitious paper hanger with a second-hand sedan an' two growin' daughters; an' most assuredly not th' painter whose wife is proud of her feet an' loves to wear white.

"It seems to us ther's too many different kinds o' workin' men an' too great an assortment o' tastes an' ambitions 'mongst 'em t' undertake t' even strike a fair medium in th' matter o' wages. We have plumbers who 're interested in th' finer things o' life, an' we have plumbers who're dull an' different. We have dude plasterers that no wage would carry from one Saturday t' another, an' dyspeptic plasterers who are unencumbered an' who kin worry along on bananas. Plasterers, same as other workmen, come in all styles. They're single an' double an' ther's firsts and culls. Aside from automobiles, pool an' lodges, ther's other things t' consider when tryin' t' arrive at a livin' wage. Some workmen demand prunes each mornin' instead of oats. * * * Its goin' t' be purty hard t' decide what a livin' wage is these days o' measured telephone service, ten-dollar shoes, fifty-cent collars an' twenty-nine-cent gasoline. * * * 'Bout the only way we know of, fer a feller t' git what he demands, next t' havin' his home made int' a duplex, or bein' a coal miner, is t' become so efficient that he's indispensable; but that's th' long way 'round an' besides, it's so hard t' git off t' see a circus parade or take a vacation."

St. Lawrence Paper is Now Producing

From Our Own Correspondent.

MONTREAL.—The St. Lawrence Paper Co., at Three Rivers, has two machines in operation now turning out newsprint paper to the amount of 120 tons daily.

The company has not yet made arrangements for the sale of its preferred stock or bonds although these are likely to be offered in due course. The paper being produced is sold to the Munsey publications in New York and the Baltimore News.

Lumbering Activity of Soo District Growing

From Our Own Correspondent.

SAULT STE. MARIE.—"Quit the Hammer Gang and Boost Your City," is the slogan of Sault Ste. Marie board of trade for 1923. The steel plant is working at capacity employing 2,600 men with some months' work ahead. A careful survey of the district shows 200 townships with a conservative estimate of hardwood timber of 24,000 acres to the township or an estimate of six and a half billion feet of hardwood timber. A reduction of freight rates on hardwood logs to the Soo over the Algoma Central is giving encouragement to several proposed wood-working plants. The by-products can all be disposed of here, such as slabs for firewood. One company has a contract for ten years to supply the Ford plant at Detroit with ten million feet of hardwood timber per annum. All of which makes for stability.

TRADE UNIONISM HAS DECLINED IN CANADA

Drop From 1919 Peak Almost One-Third of Total

Organized labor in Canada has suffered a severe setback since the peak of 1919, when there were 378,047 organized workers. The decline in the past three years being 101,426 or nearly one third. The industrial depression and consequent unemployment is blamed for this condition which resulted in the collapse of a total of 406 local union branches. Failure to pay their fees undoubtedly led to the expulsion of members.

Internationals, supposed to be the strongest unions, suffered a decline of 115 branches and 16,764 members last year, according to the 12th annual report of the Department of Labor on "Labor Organizations in Canada." This is close to half the year's total loss, but it is claimed that the reason for this is that Internationalism represents 74 per cent. of the total. Non-Internationals showed a gain of eight locals, but a decrease in members of 1,507. Independent labor lost about 2,500 members and 2 units. The National and Catholic unions are 6,600 members lower. The One Big Union seems a thing of the past, only one of the 34 units of 1921 reporting in 1922. If this local is all that remains it means that the roll has declined from 5,300 to 100.

Despite the decline in labor memberships the disbursement of benefits was two and a quarter million in excess of 1921. The report points to these figures as indicative of the strength of the movement financially.

Of the non-internationals, 4 organizations paid out $41,180, an increase of $20,405. Of the total $38,450 was in death benefits.

Of the 92 Internationals 58 reported disbursements of $26,378,729 but the U. S. and Canadian totals are not divided.

CALIFORNIA UPSETS THE OIL MARKETS

Big Increase of Supply of Crude Oil With High Gasoline Content

California is responsible for the present upset in oil prices, and its influence over the industry will become greater. It is probable it will be the controlling factor in oil for several years.

This change is due to the sudden discovery of a tremendous production of light refinable crude for the first time in the history of that state. Previously California's production has been a heavy crude, containing little gasoline and mainly valuable as fuel. The new discovery, however, is light refinable crude yielding 30 per cent. gasoline.

It is the cheapest oil in the world. It can be laid down in Bayonne for about $1.80 a barrel. Midcontinent crude of average quality costs $2.75 laid down in Bayonne.

That difference explains the recent cut in midcontinent crude oil, and is the reason for believing that there will be further cuts in the price of midcontinent oil.

Present marketed production in California is in excess of 700,000 barrels a day. If pipe line and storage facilities were available a million barrels a day could be handled. This exceeds the record of Mexico in her biggest days, and as a sensation in the oil industry, California far surpasses Mexico.

Next to its big gasoline content the remarkable feature of the new production is that it is coming from oil sands of phenomenal thickness, which means that the big flush production will last a long time and that the wells may pump twenty years. In the new fields a sand thickness of from 1,500 to 2,000 feet has been discovered. Such prodigious sands have never been known before. The biggest well in the Signal Hill field, one of the new areas, is producing from a depth of more than 5,000 feet, the deepest flowing well in the world. It came in with 30,000 barrels a day and is making 10,000 barrels a day, with a back pressure of 500 pounds to the square inch.

The Devoe Electrical Switch Company of Montreal has recently closed with Henry and Morgan and Sons for a $15,000 contract for electrical switch supplies for their new addition to their store. This company has also closed a contract for like supplies with the T. Eaton Company, Toronto, for $30,000.

WAGE COSTS ARE REDUCING PROFIT RAISING PRICES

(Continued from Page 1)

this naturally has been reflected in wholesale orders. Prices of agricultural products have been unusually low for some time and little improvement has as yet taken place. Lumber operations during the winter and early spring were interfered with by the lateness of the spring.

Why is Canada not experiencing the prosperity which exists in the United States? In the first place if the business activity during the war period resulted in a net increase in the wealth of the nation, such an increase bears no proportion to the financial benefits realized by the United States. Canada is dependent to a proportionately greater extent on agriculture than is our neighbour to the south. Further, the movements of the business cycle are never so pronounced or violent as in the United States, and relative movements in Canada usually occur after an interval, averaging probably six months. There is undoubted evidence of a revival of industrial activity in practically all lines. Our export trade continues to improve, and, it is interesting to note that on a per capita basis it was three times as great as that of the United States during the last calendar year. Recently substantial orders for steel and other products have been received by certain Canadian manufacturers from buyers in the United States at prices higher than those ruling in Canada, a situation created no doubt by the difficulty of obtaining prompt deliveries at home. The pulp and paper industry continues to be very active, and the large stocks of lumber which were on hand a year ago have been cleaned up at steadily advancing prices. There is, we think, some indication of an improvement in agricultural conditions, due not only to a tendency to increased prices, but also to a better adjustment of operating costs to actual conditions. While better business conditions in the United States have tended to some extent to attract skilled labourers from Canada, there is evidence that important immigration from Europe will take place during the coming summer. A comparison of conditions in Canada with those which obtained in the United States a few months ago seems to justify the belief that the degree of improvement which has already commenced will gradually increase and that Canada will experience a business activity, comparable at least, to that which now exists in the United States. Such a movement would not necessarily be dependent upon the continuance of the upswing in the United States.

Prospects Encouraging

In press and parliament much emphasis has been laid in recent months on the difficulties which confront us, and it is not wise that we should underestimate such difficulties. Our taxes, increased since the pre-war period by large deficits arising out of Government operation of railways, service of war debt, pensions, etc., are undoubtedly burdensome, but it is possible to over-emphasize our troubles. As indicated above we believe that business prospects are encouraging. What is most necessary, in order that we may take advantage of our opportunities, is that public expenditures, municipal, provincial and federal, should be curtailed, thereby rendering possible reductions in taxation and particularly in company and personal income taxation which is so discouraging to enterprise. Given thrift, hard work and enthusiasm on the part of our citizens, there is no room for pessimism either in the existing situation or in our future prospects.

An Organized Revolt Against Builders' Wages

There is in the United States a threatened revolt against high wages and high material cost in building construction. The first movement in this direction was the formation of a committee of 100 prominent bankers, architects, builders and property owners, to work with Secretary Hoover in an effort to stabilize building conditions.

The reports of what was said at the meeting, called to appoint this Committee, present vividly the impossible situation which is prevailing. One operator exhibited this picture of the impasse that is developing; In February bricklayers were being paid the regular scale of $10 a day; in March an addition of $1 bonus was demanded; in April, without notice, a demand made for $12 a day; on the same day $13 demanded, and half an hour later the demand increased to $14 a day. Common labor at the same time made a demand for an increase from $7 to $8, and the hoisting engineer raised his price from $10 a day to $12 a day.

The reciter of these events concluded: "In 35 years' experience in the building trade, covering many millions of dollars' worth of work, I have never before met with such demands under such arbitrary conditions."

Industrial Activity on Increasing Scale

That the industrial activity in practically all lines is being revived, there is no shade of a doubt, says Canadian Machinery. Canadian export trade continues to improve, and it is interesting to note that, on a per capita basis, it was three times as great as that of the United States during the last calendar year. Substantial orders for steel and other products have recently been received by Canadian manufacturers from buyers in the United States, at prices higher than those ruling in Canada, a situation created, no doubt, by the difficulty of obtaining prompt deliveries at home.

A comparison of conditions in Canada with those apparent in the United States a few months ago, seems to justify the belief that the degree of improvement which has already commenced will gradually increase, and that Canada will experience a business activity comparable at least to that which now exists in the United States.

PROVINCE OF QUEBEC

THE SCHOOL COMMISSIONERS FOR THE CITY OF THREE RIVERS

Public notice is hereby given that sealed tenders, endorsed "TENDERS FOR DEBENTURES," and addressed to the undersigned, the Treasurer of the School Commissioners for the City of Three Rivers, will be received until 4 o'clock p.m., of the 21st of May, 1923, for the purchase of SIXTY THOUSAND DOLLARS ($60,000.00) of Bonds of the School Commissioners for the City of Three Rivers, dated the 1st of May, 1923, and redeemable in thirty years, the 1st of May, 1953, bearing interest (a) at the rate of five per cent. (5%) per annum, (b) at the rate of five and a half per cent. (5½%) per annum, payable semi-annually the 1st May and 1st of November in each year.

The principal and interest of these bonds are payable at the office of the Hochelaga Bank, in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec.

These bonds shall be issued in denominations at the option of the purchaser.

Each tender must be accompanied by a certified cheque for an amount equal to one per cent. (1%) of the amount of the loan. The cheque of the tenderer whose offer is accepted shall be returned to him after the execution of his contract.

The interest accrued on the bonds must be added to the price offered at the time of their delivery.

The tenders will be considered at the meeting of the Commission, which will be held on the 21st of May, 1923, at 8 o'clock p.m., at the customary place of meeting.

The Commission does not bind itself to accept the lowest or any tender.

The Treasurer,
ARTHUR NOBERT.

Three Rivers, Que.,
the 26th of April, 1923.

Notice of Dividend

Famous Players Canadian Corporation Limited

NOTICE is hereby given that a Dividend of $2.00 per share for the quarter ending 1st May, 1923, has been declared upon the First Preference Stock of the Company, payable on 31st May, 1923, to shareholders of record 15th of May, 1923.

By order of the Board,
N. L. NATHANSON,
Managing Director

MORTGAGE DISCOUNT & FINANCE, LIMITED

Preferred Dividend No. 5

Notice is hereby given that a Dividend of 4% (being at the rate of 8% per annum) on the fully-paid Preferred Stock of this Company, has been declared for the half year ending May 31st, 1923, and that the same will be payable on and after the 1st day of June, 1923, to shareholders of record at the close of business on the 31st day of May, 1923.

The Transfer Books of the Company will be closed from the 16th to the 31st days of May next, both days inclusive.

By order of the Board.
GEO. R. GRIFFIN,
Managing-Director.

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

At a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 31st March last, being at the rate of seven per cent. per annum and in addition three per cent. per annum from Special Income Account, was declared payable on 30th June next to Shareholders of record at 3 p.m. on 1st June next.

By order of the Board.
ERNEST ALEXANDER,
Secretary.
Montreal, May 2nd, 1923.

DUPUIS FRERES LIMITEE

DIVIDEND NOTICE

Notice is hereby given that a dividend of 2 per cent. being the seventh, for the quarter ending the 30th of April, 1923, being at the rate of 8 per cent. per annum, has been declared upon the paid-in Cumulative Preferred Stock of the Company to shareholders of record at the close of business on the 30th day of April, 1923, and payable on the fifteenth day of May, 1923, to such shareholders who have purchased their shares from the Company on or before the 31st of January, 1923.

Interest at the rate of 8 per cent. per annum will be paid to those who have become shareholders after the 31st of January, 1923, from the date of their subscription.

By order of the Board.
(Signed) ARMAND DUPUIS,
Secretary-Treasurer.
Montreal, 30th of April, 1923.

Willards Chocolates LIMITED

Annual Redemption of Preference Shares

Offers of this Company's 8% Preference Shares to a total par value of $18,000 will be received by the undersigned at its office at 443 Wellington Street West, Toronto, Canada, up to twelve o'clock noon on Monday, the 21st day of May, 1923.

Each offer will be deemed to include accrued dividend and to be for the whole or any part of the number of shares offered at the rate specified in the said offer. Delivery of stock and payment therefor in Toronto funds to be made at the aforesaid office of the Company.

The undersigned does not bind itself necessarily to accept the lowest or any tender.

Dated at Toronto, May 7th, 1923.
Willards Chocolates Limited,
443 Wellington St. W.,
Toronto, Canada.

ONTARIO

TENDERS FOR PULPWOOD AND PINE LIMIT

Tenders will be received by the undersigned up to and including the 22nd day of June, 1923, for the right to cut pulpwood and timber on a certain area situated in the watershed of the Trout and Chapleau Rivers, in the district of Sudbury, comprising an area of 1,049 square miles.

Tenderers shall state the amount per cord on pulpwood that they are prepared to pay as a bonus, in addition to dues of 80 cents per cord for spruce, and 40 cents per cord for other pulpwoods, or such other rates as may from time to time be fixed by the Lieutenant-Governor-in-Council for the right to operate a Kraft pulp mill and a paper mill.

Tenderers shall also be required to say what they are prepared to pay per thousand feet board measure for the following classes of timber, over and above the upset prices in addition to Crown dues:

Red and white pine, upset price	$6.00 per M. ft. B. M.
Spruce (too large for pulpwood)	5.00 per M. ft. B. M.
Jackpine (banksian)	2.50 per M. ft. B. M.

The Crown dues on pine, including jackpine, being $2.50, and on spruce $2.00 per M. ft. B.M., or such other rates as may from time to time be fixed by the Lieutenant-Governor-in-Council.

The successful tenderer shall be required to erect a mill or mills within the limit, or at some point in Ontario approved by the Minister, and to manufacture the wood into Kraft pulp, and also such portion thereof into Kraft paper when required so to do.

Parties making tender will be required to deposit with their tender a marked cheque, payable to the Honourable the Treasurer of the Province of Ontario, for fifty thousand dollars ($50,000), which amount will be forfeited in the event of the successful tenderer not entering into agreement to carry out conditions, etc.

The said $50,000 shall remain on deposit until the Kraft pulp mill, as provided by terms and conditions of sale, is erected and in operation. Any timber cut in the meantime shall be subject to payment of dues and bonus as accounts for same are rendered. After the said pulp mill is erected and in operation the deposit of $50,000 may be applied on account of bonus dues as they accrue, but the regulation dues as mentioned above shall be paid in the usual manner as returns for cutting of wood and timber are received and accounts rendered.

The highest or any tender not necessarily accepted.

For particulars as to description of territory, capital to be invested, etc., apply to the undersigned.

All tenders should be enclosed in sealed envelopes and marked plainly on outside "Tender for Trout-Chapleau Pulp and Timber Limit."

BENIAH BOWMAN,
Minister of Lands and Forests.
Toronto, April 16, 1923.

N.B.—No unauthorized publication of this notice will be paid for.

The Royal Bank of Canada

DIVIDEND No. 143.

Notice is hereby given that a Dividend of Three Per Cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Friday the first day of June next, to shareholders of record at the close of business on the 15th day of May.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., April 13, 1923.

THE CANADIAN BANK OF COMMERCE

DIVIDEND No. 145

Notice is hereby given that a dividend of three per cent. upon the capital stock of this Bank has been declared for the quarter ending 31st May, 1923, and that the same will be payable at the Bank and its Branches on and after Friday, 1st June next.

The transfer books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board.
JOHN AIRD,
General Manager.
Toronto, 13th April, 1923.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Friday, the FIRST day of JUNE next, to Shareholders of record of 30th April 1923.

By order of the Board.
FREDERICK WILLIAMS TAYLOR
General Manager
Montreal, 27th April, 1923.